

CITY OF FRANKLIN, WISCONSIN

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2015



City of Franklin

**PREPARED BY THE
DEPARTMENT OF FINANCE**

**DIRECTOR OF FINANCE & TREASURER
PAUL A ROTZENBERG, CPA**

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CITY OF FRANKLIN, WISCONSIN

TABLE OF CONTENTS December 31, 2015

INTRODUCTORY SECTION		
Transmittal Letter		1
Organization Chart		6
List of Principals and Officials		7
GFOA Certificate of Achievement		8
FINANCIAL SECTION		
Independent Auditors' Report		9
Management's Discussion and Analysis		12
Basic Financial Statements	<u>Exhibit</u>	
Government-wide Financial Statement:		
Statement of Net Position	A	25
Statement of Activities	B	26
Fund Financial Statements:		
Balance Sheet – Governmental Funds	C	27
Reconciliation of the Balance Sheet of Governmental Funds to the Statement Net Position	C.1	28
Statement of Revenue, Expenditures and Changes in Fund Balances – Governmental Funds	D	29
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	E	30
General Fund – Statement of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual (on a Budgetary Basis)	F	31
Statement of Net Position – Proprietary Funds	G	32
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds	H	34
Statement of Cash Flows – Proprietary Funds	I	35
Statement of Fiduciary Net Position – Fiduciary Funds	J	37
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	K	38
Notes to Financial Statements		39
Required Supplementary Information		
Schedule of Funding Progress		84
Schedule of the City's Proportionate Share of Net Pension Liability (Asset)		85
Schedule of City's Contributions		85
Schedule of Changes in Net Pension Liability and Related Ratios		86
Schedule of Contributions		87
Notes to Required Supplementary Information		88
Supplementary Information – Combining and Individual Fund Financial Statements and Schedules:	<u>Schedule</u>	
Combining Balance Sheet – Non-major Governmental Funds	1	89
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Non-major Governmental Funds	2	91
Schedule of Revenue – Budget and Actual (on a Budgetary Basis) – General Fund	3	93
Schedule of Expenditures – Budget and Actual (on a Budgetary Basis) – General Fund	4	95

CITY OF FRANKLIN, WISCONSIN

TABLE OF CONTENTS December 31, 2015

Schedule of Revenue, Expenditures and Changes in Fund Balances – Budget and Actual – Debt Service Fund	5	97
Schedule of Revenue, Expenditures and Changes in Fund Balances – Budget and Actual – Library Operating Fund	6	98
Schedule of Revenue, Expenditures and Changes in Fund Balances – Budget and Actual – Solid Waste Collection Fund	7	99
Schedule of Revenue, Expenditures and Changes in Fund Balances – Budget and Actual – Capital Projects	8	100
Combining Statement of Changes in Assets and Liabilities – Agency Funds	9	103
TIF Districts Fund – Combining Balance Sheet	10	104
TIF Districts Fund – Schedule of TIF District Revenue, Expenditures and Changes in Fund Balances	11	105
Capital Assets Used in the Operations of Governmental Funds:		
Schedule by Source	12	106
Schedule by Function and Activity	12.1	107
Schedule of Changes by Function and Activity	12.2	108

STATISTICAL SECTION

	<u>Table</u>	
Net Position by Component – Last Ten Years	1	109
Change in Net Position – Last Ten Years	2	110
Fund Balances, Governmental Funds – Last Ten Years	3	112
Changes in Fund Balances, Governmental Funds – Last Ten Years	4	113
Assessed Value and Estimated Actual Value of Taxable Property – Last Ten Years	5	114
Estimated Actual Property Value and Construction Data – Last Ten Years	6	115
Direct and Overlapping Property Tax Rates – Last Ten Years	7	116
Principal Property Taxpayers – Current Year and Nine Years Ago	8	117
Property Tax Levies and Collections – Last Ten Years	9	118
Property Tax Levies by Tax Jurisdiction – Last Ten Years	10	119
Ratios of Net General Bonded Debt Outstanding – Last Ten Years	11	120
Schedule of Direct and Overlapping Debt – Governmental Activities	12	121
Computation of Legal Debt Margin – Last Ten Years	13	122
Demographic and Economic Statistics – Last Ten Years	14	123
Principal Employers – Current Year and Nine Years Ago	15	124
Full-time Equivalent City Government Employees by Function – Last Ten Years	16	125
Operating Indicators by Function/Program – Last Ten Years	17	126
Capital Asset Statistics by Function/Program – Last Ten Years	18	127

INTRODUCTORY SECTION

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June 7, 2016

Citizens of Franklin, Honorable Mayor and Common Council members:

Introduction

The Comprehensive Annual Financial Report of the City of Franklin, Wisconsin for the fiscal year ended December 31, 2015, is hereby submitted. State law requires that all local governments with a population over 25,000 publish a complete set of financial statements that are presented in conformity with general accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

This report consists of management's representations concerning the finances of the City of Franklin (City). Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh the benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included in this report.

The City's financial statements have been audited by CliftonLarsonAllen LLP, a firm of certified public accountants experienced in auditing governmental entities. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended December 31, 2015, are free of material misstatement. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended December 31, 2015, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

City Profile

The City of Franklin, incorporated in 1956, is located in the southwestern corner of Milwaukee County. The City is 34.5 square miles in size and has a population of 35,655. Over the last ten years the City has experienced an average annual population increase of 1.0 % per year. The city is a residential community (73.9%) with a commercial and industrial base (25.4 %). Approximately 35% of the acreage in the City is undeveloped, which demands attention to growth issues. It is considered to be one of the more desirable communities in the Milwaukee metropolitan area in which to live and work. The City provides a typical range of municipal services for a suburban community including police, fire protection, emergency medical/paramedic, maintenance of streets and other infrastructure, library, public health services, recreational activities, building inspection, zoning control, refuse collection, recycling collection, sanitary sewer, storm sewer and water services, both construction and maintenance. The City is authorized to levy property tax on real and personal property located within its boundaries to support the services provided.

The City operates under the mayor/council form of government. Policy making and legislative authority are vested in a governing council consisting of a mayor and six council members. The governing council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees and hiring a city attorney. The City's Mayor is responsible for carrying out the policies and ordinances of the governing council, for overseeing the day-to-day operations of the government and for appointing the heads of the various departments. The Council is elected, by district, on a non-partisan basis. The Mayor and Council members serve staggered three-year terms. The City is organized into departments, headed by ten officials appointed by the Mayor or Director of Administration and confirmed by the Common Council. Numerous boards, commissions and committees allow for citizen involvement in government by providing a forum for policy input to the Council and guidance to the departments. Library service is provided through a separate Library Board that functions like a department of the City and engages the Library Director. Water service is provided through a separate Water Utility that functions like a department of the City. These two areas therefore have been included as an integral part of the City's financial statements. The City also is financially accountable for a legally separate Community Development Authority (Authority). The Authority's activities are reported within the City's financial statements. Additional information on the Authority can be found in Note 1 in the notes to the financial statements.

The budgetary process serves as the foundation of the City's financial planning and control system. The objective of the budgetary process is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Common Council. The preparation of a forecast for the existing programs for the following year is prepared during July and August. Departmental requests for personnel changes and new capital outlay expenditures are made by the middle of August. The Mayor then reviews the forecast including recommended personnel and capital outlay expenditures and determines by mid August the personnel and capital outlay expenditures that will be included in the initial departmental requested budgets. The departments take this information and submit their requested budgets by the end of August. The budgets are reviewed and the Mayor submits his recommended budget by the middle of September. The Council reviews the recommended budget and agrees on a proposed budget by mid October. The Council is required to hold a public hearing on the proposed budget in early November, and then adopts a final budget in mid November. The adopted budget is prepared by fund, function (e.g. Public Safety), and department (e.g. Police). Transfers of appropriations between funds, functions or department require the approval of the governing council. Budget-to-

actual comparisons are provided in this report for each governmental fund with an adopted budget. The General Fund comparison is presented in Exhibit F as part of the basic financial statements for the governmental funds and in Schedules 3 & 4 of the supplementary information. For governmental funds other than the General Fund with adopted budgets, this comparison is presented in the supplementary information section of this report.

The information presented in the financial statements is perhaps best understood when considered from the broader perspective of the environment that the City operates.

Economic Condition and Outlook

The economic activity in Franklin in both the residential and the non-residential sectors was stable. New construction was lower in 2015 compared to 2014 as evidenced by reduced construction permit revenues. Prospects in 2016 for residential, commercial and industrial development are anticipated to be on a par to 2015, with growth dependent upon the development of new subdivisions and business parks.

Estimated actual property values have grown at an average annual rate of 1.9% since 2006. The new growth net of TIF Districts was \$33.7 million in 2015, \$46.8 million in 2014, and \$34.6 million in 2013. The growth in 2016 is expected to be in the \$20 to \$30 million dollar range reflecting the level of economic activity. The historical growth has allowed the City to maintain a relatively low municipal tax rate while still funding the increased cost of services required as a result of the City's growth.

Residential Growth

Over the past ten years, residential valuation has grown at an average annual rate of 1.6 %. Lingering effects of the economic slowdown will keep growth from new construction in 2016 at about the same level as 2015. Longer range, the City has the most developable land in the County and remains attractive to builders and potential residents.

Commercial and Industrial Growth

Over the past ten years, commercial and industrial valuation has increased at an average annual rate of 2.8 %.

In 2005, two TIF Districts (#3 & #4) were established on the eastern side of the City. The two districts have equalized value tax increments of \$73 and \$55 million, respectively.

Anticipated residential growth will continue to place demands on the commercial sector for goods and services that, in turn, is expected to continue the trend of commercial growth. Expansion of the commercial and industrial tax base is a goal of the City with respect to the overall tax rate. Currently 73.9 % of the City's property value is residential compared to 76.7 % ten years ago. Future tax relief will need to come from industrial and commercial tax base expansion.

Organizational and Service Growth

2015 was a year where overall revenue rose 0.8% compared to budget and 1.8% compared to last year. A temporary increase in computer equipment located in the City drove state exempt computer aids up \$244,000 in 2015.

2015 was not a City-wide property reassessment year. The last reassessment was done in 2010. A re-valuation was completed in 2013. Performing revaluations on a regular basis is in line with the Common Council policy to schedule a revaluation every three years to keep property values in line with current market values. The State determined that the local

assessments after reassessments were 92.7% of fair value. The estimated actual value of City properties was approximately \$3.6 billion.

The challenge for the operating departments in 2015 was to continue to maintain service levels at a time of flat revenues and growth of 0.94% in new properties.

Internal Controls

The City's internal control structure is subject to ongoing evaluation by management. The City is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with laws, regulations and good financial policies. The results of the City's audit for the fiscal year ended December 31, 2015 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws or regulations. As a recipient of federal and state financial assistance, if the level of grant expenditures exceeds an established level, currently \$ 750,000, a single audit of grants is required. The City was not required to have a single audit of grants for 2015.

Financial Planning

Long range financial planning is in place, especially for the capital funds and debt service funds, to ensure that resources are in place to meet committed projects and ensure that there is adequate funding for projects prior to their approval and that adequate funding is in place for debt that has been or will be incurred, with an appropriate plan for repayment.

Financial Policies

The City maintains policies on fund balance level, debt policy, investment policies, budget forecasting policy and a capitalization policy. These policies, together with conservative management, have served the City well. The existence of a fund balance enabled the fund balance to be utilized in 2009 during the revenue decline and replenished in 2010 and 2011 when revenue stabilized. The City tapped the debt markets in 2014, for the first time since 2008, to finance two major capital projects. Debt Service planning has permitted a steadily declining Debt Service levy since 2008.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2014. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. This was the 23rd consecutive year that the City has received this award.

In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized CAFR whose contents conform to program standards. Such report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements. We will be submitting the CAFR to the GFOA to determine its eligibility for a 2015 Certificate.

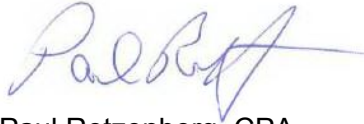
Acknowledgments

Preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the Finance Department staff. Appreciation is also

Mayor, Common Council and Citizens
June 7, 2016

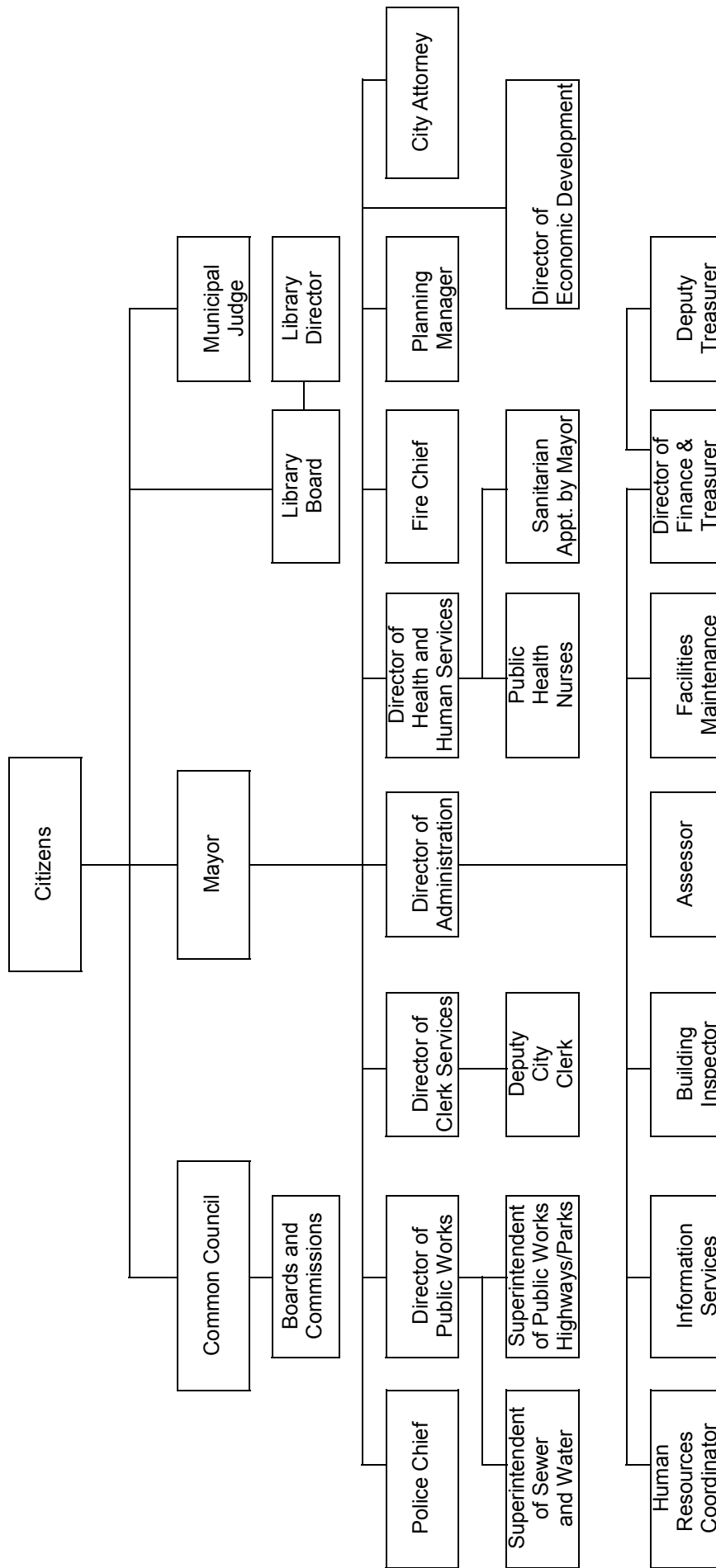
extended to all other City employees who contributed to its preparation. We also thank the Mayor, Common Council, and Finance Committee for their interest and support in planning and conducting the financial operations of the City in a responsible manner.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Paul Rotzenberg", with a stylized flourish extending from the end.

Paul Rotzenberg, CPA
Director of Finance & Treasurer

CITY OF FRANKLIN, WISCONSIN
Organization Chart



**CITY OF FRANKLIN, WISCONSIN
LIST OF PRINCIPAL OFFICIALS**

Elected Officials

<u>Title</u>	<u>Name</u>
Mayor	Stephen R Olson
Aldermen:	
District No. 1	Mark Dandrea
District No. 2	Daniel M Mayer
District No. 3	Kristen Wilhelm
District No. 4	Steve F Taylor
District No. 5	Doug Schmidt
District No. 6	Susanne M Mayer
Municipal Judge	Fred F Klimetz

Non-elected Officials

Assessor	Mark Link
Building Inspector	Fred Baumgart
City Attorney	Jesse Wesolowski
City Clerk	Sandi Wesolowski
City Engineer/Public Works Director	Glen Morrow
Director of Administration	Mark Lubarda
Director of Economic Development	Aaron Hertzberg
Director of Finance & Treasurer	Paul Rotzenberg
Director of Health & Human Services	Bill Wucherer
Fire Chief - Acting	Adam Remington
Human Resources Coordinator	Dana Zahn
Library Director	Rachel Muchin Young
Planning Manager	Joel Dietl
Police Chief	Rick Oliva
Superintendent of Public Works	Jerry Schaefer
Superintendent of Sewer & Water	Mike Roberts



Government Finance Officers Association

**Certificate of
Achievement
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in Financial
Reporting**

Presented to

**City of Franklin
Wisconsin**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2014

Executive Director/CEO

FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

Common Council
City of Franklin, Wisconsin
Franklin, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Franklin, Wisconsin, as of and for the year ended December 31, 2015, and the budgetary comparison for the General Fund for the year then ended, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Franklin, Wisconsin as of December 31, 2015, and the budgetary comparison for the General Fund for the year then ended, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the City of Franklin, Wisconsin's 2014 financial statements and we expressed an unmodified audit opinion on those financial statements in our report dated May 5, 2015. In our opinion, the summarized comparative information presented for the Water Utility and Sanitary Sewer Utility Enterprise Funds presented herein as of and for the year ended December 31, 2014 is consistent, in all material respects, with the audited financial statements from which it was derived

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management discussion and analysis, the schedule of funding progress, schedule of city's proportionate share of the net pension liability (asset), schedule of city's contributions, schedule of changes in net pension liability and related ratios, and schedule of contributions on pages 84 and 85-86 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Franklin, Wisconsin's basic financial statements. The combining and individual fund financial statements and schedules, listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and the statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 7, 2016, on our consideration of the City of Franklin, Wisconsin's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Franklin, Wisconsin's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Milwaukee, Wisconsin
June 7, 2016

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**City of Franklin, Wisconsin
Management's Discussion and Analysis
(Unaudited)**

As management of the City of Franklin (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2015. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-5 of this report.

Financial Highlights

- The assets of the City exceeded its liabilities as of December 31, 2015, by \$ 223,118,687 (**net position**). Of this amount, \$ 19,255,669 (**unrestricted net position**) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position increased by a net amount of \$7,513,253. Net investment in capital assets increased by \$1,447,175, while unrestricted net position increased by \$6,391,379 and restricted net position decreased by \$325,301. The increase in investment in capital assets was related to capital asset additions offset by debt payments, net of unspent bond proceeds and accumulated depreciation. The unrestricted increase was mainly due to the net pension asset recorded with the adoption of GASB 68. The restricted decrease was due to use of development revenues.
- The City's governmental funds reported, as of December 31, 2015, combined ending fund balances of \$ 21,194,223, an increase of \$ 3,163,566 from the prior year. This was caused by the repayment of \$2,575,000 interfund advances.
- The Nonspendable fund balances were \$ 2,240,532 a decrease of \$37,439 due a reduction of Prepays and fuel Inventory.
- The restricted fund balances in total was \$ 7,387,917, an increase of \$ 494,348, which was the result of TID values increasing from repayment of interfund advances.
- The assigned fund balances in total of \$ 5,053,715 had an increase of \$ 146,986 related to capital projects.
- The unassigned fund balance as of December 31, 2015 for the general fund was \$6,662,986 or approximately 25 percent of total anticipated 2016 general fund expenditures.
- The City's Governmental activities debt decreased by \$615,000 from scheduled repayments. See table 11 for complete debt repayment details.
- The City's Business type activities completed the Water & Waste Water Building, a \$3 million project.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. These basic financial statements are comprised of three components 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. The statement of net position presents information on all of the City's assets, deferred outflows, liabilities and deferred inflows, with the difference between the categories reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Table 1 provides a ten year history of Net Position.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenue and expenditures are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation and sick leave). Table 2 provides a ten year history of the statement of activities.

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenue (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-like activities). The governmental activities of the City include general government, public safety, public works, health & human services, culture & recreation and conservation & development. The business-type activities include the Franklin Water Utility and the Sanitary Sewer fund.

The government-wide financial statements include not only the City itself (known as the primary government) but also a legally separate Community Development Authority for which the City is financially accountable. Financial information for this blended component unit is reported as part of the financial information presented for the primary government itself.

The government-wide financial statements can be found on Exhibits A and B of this report.

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, governmental fund financial statements focus on near term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenue, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains 16 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenue, expenditures,

and changes in fund balances for the General, Debt Service and TIF Districts Funds, that are considered to be major funds. Data from the remaining 13 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements later in this report.

The basic governmental fund financial statements can be found on Exhibits C, D, E and F of this report. These statements include a budgetary comparison of the General Fund.

The City adopts an annual appropriated budget for its General Fund, Debt Service Fund, Library Operating Fund, Solid Waste Fund, Capital Outlay Fund, Equipment Replacement Fund, Street Improvement Fund, Capital Improvement Fund, Development Fund, Sanitary Sewer Fund and the Franklin Water Utility. A budgetary comparison statement has been provided for all governmental funds demonstrating compliance with their budgets.

Proprietary funds

Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Franklin Water Utility, the Sanitary Sewer Fund and the Internal Service Fund.

The proprietary fund financial statements can be found on Exhibits G, H & I of this report.

Fiduciary funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's programs. The fiduciary funds maintained by the City are the Property Tax Agency Fund, that records the tax roll and tax collections for the City and other taxing jurisdictions, another agency fund to record that activity and a post-employment benefits trust to hold funds until needed to pay designated health benefits for eligible current and future retirees.

The basic fiduciary fund financial statements can be found on Exhibit J & K of this report.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are found on pages 39 – 83 of this report.

Other information

In addition to the basic financial statements, notes and accompanying notes, this report also presents certain **required supplementary information** concerning the City of Franklin's progress in funding its retiree health obligations to eligible full time employees and its participation in the Wisconsin Retirement System and City of Franklin Public Works Employees' Pension Plans. Required supplementary information can be found on pages 84-88 of this report.

The combining and individual fund financial statements and schedules section presents combining statements in connection with non-major governmental funds, a detailed budgetary comparison schedule for the General Fund to demonstrate compliance with the budget complementing the statement included in the basic governmental fund financial statements, and other information related to the individual funds are presented immediately following the required supplementary information. Schedules 1 to 12.2 can be found on pages 89-108 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$223,118,693 and \$215,605,434 at the end of 2015 and 2014, respectively.

CITY OF FRANKLIN NET POSITION December 31, 2015 and 2014

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 56,138,443	\$ 27,388,262	\$ 2,076,362	\$ 5,144,767	\$ 58,214,805	\$ 32,533,029
Long term Note Rec	-	-	25,311,900	26,055,931	25,311,900	26,055,931
Capital assets	<u>115,505,274</u>	<u>114,884,684</u>	<u>90,084,026</u>	<u>88,567,257</u>	<u>205,589,300</u>	<u>203,451,941</u>
Total assets	<u>171,643,717</u>	<u>142,272,946</u>	<u>117,472,288</u>	<u>119,767,955</u>	<u>289,116,005</u>	<u>262,040,901</u>
Deferred Outflows	<u>2,843,406</u>	<u>163,578</u>	<u>286,380</u>	-	<u>3,129,786</u>	<u>163,578</u>
Current liabilities	6,075,553	3,781,961	3,248,819	3,230,972	9,324,372	7,012,933
Long-term liabilities	<u>12,554,722</u>	<u>13,781,606</u>	<u>22,438,309</u>	<u>23,640,538</u>	<u>34,993,031</u>	<u>37,422,144</u>
Total liabilities	<u>18,630,275</u>	<u>17,563,567</u>	<u>25,687,128</u>	<u>26,871,510</u>	<u>44,317,403</u>	<u>44,435,077</u>
Deferred Inflows	<u>24,809,701</u>	<u>24,414,291</u>	-	-	<u>24,809,701</u>	<u>24,414,291</u>
Net position:						
Net Investment in capital assets	107,184,603	106,031,877	88,861,706	88,567,257	196,046,309	194,599,134
Restricted	7,460,603	7,828,452	356,106	313,558	7,816,709	8,142,010
Unrestricted	<u>16,401,941</u>	<u>8,848,660</u>	<u>2,853,728</u>	<u>4,015,630</u>	<u>19,255,669</u>	<u>12,864,290</u>
Total net position	<u>\$ 131,047,147</u>	<u>\$ 122,708,989</u>	<u>\$ 92,071,540</u>	<u>\$ 92,896,445</u>	<u>\$ 223,118,687</u>	<u>\$ 215,605,434</u>

The largest portion of the City's net position (approximately 88 and 90 percent, in 2015 and 2014, respectively) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, net position is not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

Investment in capital assets accounted for \$196,046,309 and \$194,599,134 in 2015 and 2014, respectively of the year end net position. The changes in capital assets were as follows:

	Net Capital Asset Additions	Depreciation	Change in Capital Related Debt	Net Increase (Decrease)
2015	\$ 7,162,243	\$ (5,024,884)	\$ (690,184)	\$ 1,447,175
2014	4,715,188	(4,827,939)	894,721	781,970

2015 major projects were the \$3 million Water & Waste Water building, \$1 million of preliminary work on Kayla's Playground, and the South 27th improvement project to bury overhead utilities (\$1.4 million).

The major 2014 City projects were Pleasant View neighborhood park access and improvements, a water main extension on West St. Martin's Road, a snow plow and a police dispatch center.

Capital Assets contributed to the governmental activities included land dedicated to Parks, playground equipment for the Kayla's Krew playground and office furniture and equipment totaling \$680,818 in 2015 and \$284,994 in 2014.

Capital assets contributed to the business-type activities were \$566,251 in 2015 and \$317,738 in 2014.

An additional portion of the City's net position (3.5% and 3.8% in 2015 and 2014, respectively) represent resources that are subject to external restrictions on how they may be used. There were \$7,816,709 and \$8,142,010 respectively in those net positions that were restricted to specific purposes.

The 2015 decrease of \$325,301 in restricted net position reported is due to the use of Development fund for park development.

The 2014 decrease of \$524,334 in restricted net position reported is due to transfers to the Enterprise funds from the Development fund.

The remaining balance in unrestricted net position of \$19,255,669 and \$12,864,290 in 2015 and 2014, respectively, may be used to meet the City's ongoing obligations to citizens and creditors. At the end of the current and prior fiscal years the City reported positive balances in the unrestricted net position for both the governmental and for its business-type activities. The \$6,391,379 increase in 2015 Unrestricted net position was the result of the adoption of GASB 68 which resulted in the recording a \$2.1 million net pension asset, \$3.0 million deferred outflow of resources, and a \$1.1 million net pension liability and the repayment of inter-fund advances.

The 2014 \$4,956,744 increase in Unrestricted net position was the result of retirement of non-capital debt.

Government-wide activities

The details of changes in net position follow:

**City of Franklin Changes in Net Position
For the Years Ending December 31, 2015 and 2014**

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenue						
Program revenue:						
Charges for services	\$ 5,696,707	\$ 4,237,867	\$ 8,950,310	\$ 8,688,616	\$ 14,647,017	\$ 12,926,483
Operating grants & contributions	1,809,520	1,901,262	-	-	1,809,520	1,901,262
Capital grants & contributions	1,144,757	1,437,524	566,251	238,557	1,711,008	1,676,081
General revenue:						
Property taxes	23,312,724	24,200,884	-	-	23,312,724	24,200,884
Other taxes	785,195	726,774	-	-	785,195	726,774
Intergovernmental	1,804,045	1,519,848	-	-	1,804,045	1,519,848
Investment earnings	411,650	695,541	593,128	642,227	1,004,778	1,337,768
Other	61,791	60,158	73,601	50,878	135,392	111,036
Total revenue	<u>35,026,389</u>	<u>34,779,858</u>	<u>10,183,290</u>	<u>9,620,278</u>	<u>45,209,679</u>	<u>44,400,136</u>
Expenses:						
General government	2,990,355	2,919,940	-	-	2,990,355	2,919,940
Public safety	16,959,091	16,194,631	-	-	16,959,091	16,194,631
Public works	8,304,583	7,231,238	-	-	8,304,583	7,231,238
Health & human services	726,000	673,332	-	-	726,000	673,332
Culture & recreation	1,969,297	1,865,832	-	-	1,969,297	1,865,832
Conservation & development	576,421	459,884	-	-	576,421	459,884
Interest on long-term debt	405,022	582,211	-	-	405,022	582,211
Water	-	-	5,766,088	5,077,744	5,766,088	5,077,744
Sewer	-	-	4,148,420	4,180,946	4,148,420	4,180,946
Total expenses	<u>31,930,769</u>	<u>29,927,068</u>	<u>9,914,508</u>	<u>9,258,690</u>	<u>41,845,277</u>	<u>39,185,758</u>
Increase in net position						
before transfers	3,095,620	4,852,790	268,782	361,588	3,364,402	5,214,378
Transfers	<u>1,044,459</u>	<u>(144,601)</u>	<u>(1,044,459)</u>	<u>144,601</u>	-	-
Change in net position	<u>4,140,079</u>	<u>4,708,189</u>	<u>(775,677)</u>	<u>506,189</u>	<u>3,364,402</u>	<u>5,214,378</u>
Net position - beginning	122,708,989	118,000,800	92,896,445	92,390,256	215,605,434	210,391,056
Restatement - pension	4,198,079	-	(49,228)	-	4,148,851	-
Net position - beginning (restated)	<u>126,907,068</u>	<u>118,000,800</u>	<u>92,847,217</u>	<u>92,390,256</u>	<u>219,754,285</u>	<u>210,391,056</u>
Net position - ending	<u>\$ 131,047,147</u>	<u>\$ 122,708,989</u>	<u>\$ 92,071,540</u>	<u>\$ 92,896,445</u>	<u>\$ 223,118,687</u>	<u>\$ 215,605,434</u>

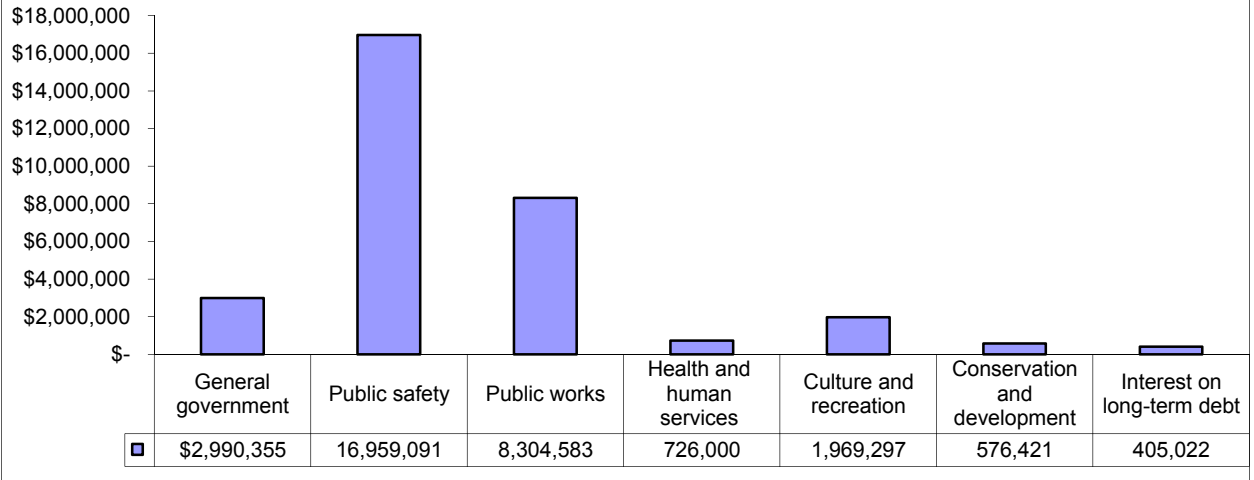
2015 Governmental activities increased the City's net position by \$4,140,079 or 123% of the total growth in the net position. Elements of this increase are:

- A \$1,724,138 increase in the TID position
- An increase from repayment of \$3,725,000 inter-fund advances

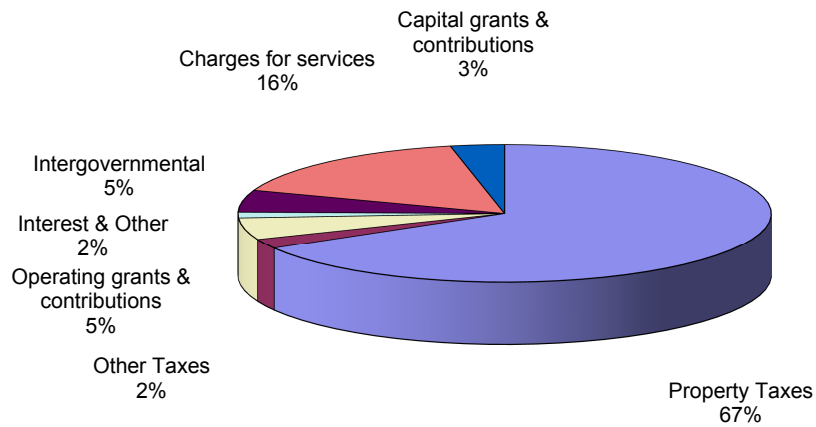
Governmental activities in 2014 increased the City's net position by \$4,708,189 or 90% of the total growth in the net position. Elements of this increase are:

- A \$908,184 surplus in General Government activity
- An increase from Debt Service of \$2,439,390
- Net increase from internal service activities of \$333,710
- Net decrease in development activities of \$734,488

Expenses by Function - Governmental Activities



Revenue by Source - Governmental Activities

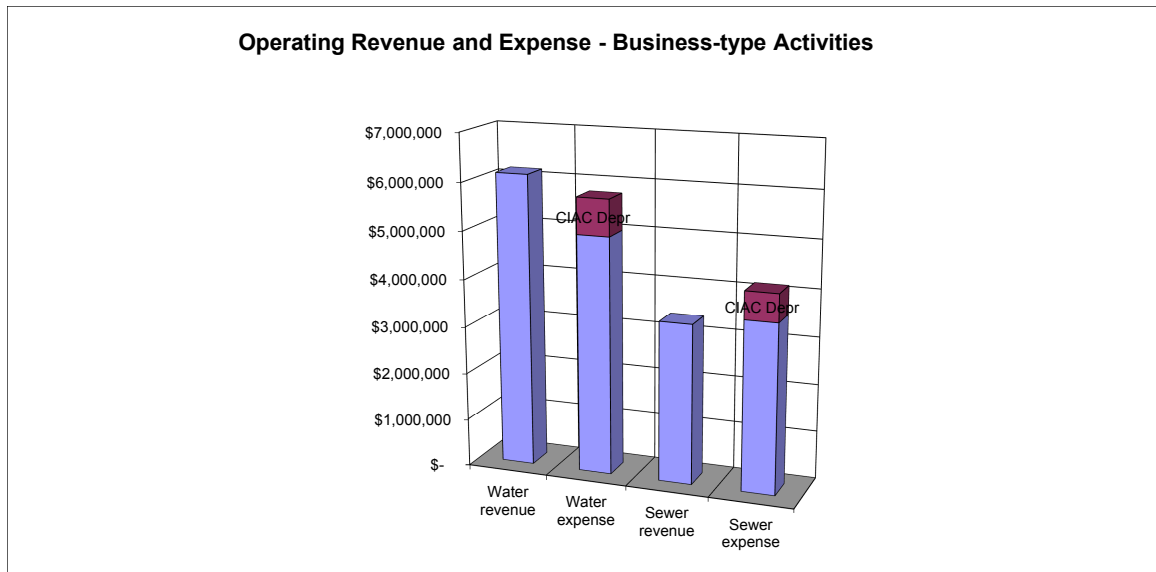


Business-type activities

In 2015, business-type activities decreased the City’s net position by \$775,677 or -23%. Amortization of regulatory assets increased operating expense in the current year.

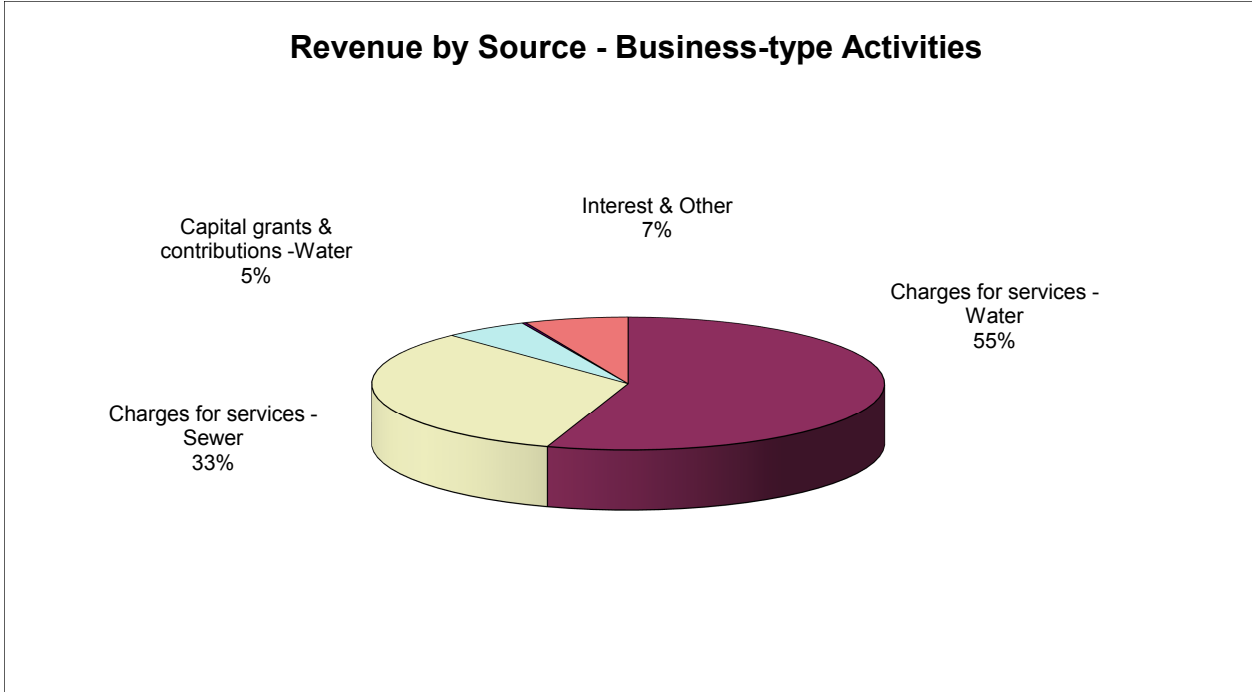
In 2014, business-type activities increased the City’s net position by \$506,189 or 10%. The key elements of this increase were contributions from developers.

The following graph compares the 2015 charges for services to the operating expenses for water and sewer activities.



Water and Sewer expenses can exceed revenue due to the current policy of including only depreciation from City spending on capital assets in the rate formula. The large amount of new infrastructure that has been installed in recent years is the reason for this policy. When maintenance and replacement costs increase, this policy may need to be reevaluated.

As shown on the following chart, the Business-type revenue includes capital grants and contributions, investment earnings and miscellaneous income in addition to charges for services (operating revenue).



Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's **governmental funds** is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$21,194,223, an increase of \$3,163,566 from the prior year. At year end the unassigned fund balance was \$6,512,059. Of this total \$6,662,986 was for general fund activities. This amount was offset by deficits in the TIF Districts and Nonmajor Governmental Funds. The TIF Districts have interfund loans with favorable financing and will diminish as revenue is received and used to repay the financing.

The City has assigned fund balances for activities of the Capital Projects of \$4,906,595. In addition, \$147,121 of General Fund Balance has been assigned for encumbrances into 2016.

Outside party restrictions have resulted in restricted fund balances:

- 1) to pay debt service -\$507,283,
- 2) for utility improvements - \$907,003,
- 3) for development purposes - \$3,851,653,
- 4) for TIF Districts of \$996,460,
- 5) for library services \$523,237 and
- 6) for donations, health, grant funds, solid waste and recreational activities – totaling \$602,281.

The City also has nonspendable fund balances to indicate that it is not available for new spending because it has already been committed for prepaid expenses and inventories (\$41,916) and for advances to other funds (\$2,198,616). The advances are scheduled for repayment in 2017.

The **General Fund** is the chief operating fund of the City. As of December 31, 2015, the total fund balance of the general fund was \$9,049,909 of which \$6,662,986 was unassigned. This unassigned fund balance represents approximately 26% of 2016 general fund budgeted expenditures.

The total fund balance of the General Fund increased by \$416,797 during fiscal year 2015. 2015 Expenditures exceeded revenues by \$53,663, a one-time exempt computer aid boosted Intergovernmental revenues by \$244,000, while a lack of large building project reduced Building Permit revenues. Reduced oil prices drove fuel costs lower than expected, and a mild winter reduced road salt needs. \$574,000 Transfers out to the Capital funds increased costs compared to 2014.

The **Debt Service Fund** has a total fund balance of \$507,283, restricted for the payment of debt service. The fund balance increase of \$932,004 related to the repayment of interfund advances.

The **TIF Districts Fund** has total fund balance of \$858,244 and a restricted fund of \$996,460 and a deficit fund balance of \$138,216 related to interfund advances.

The **Nonmajor Governmental Funds** have a total fund balance of \$10,778,787. The fund balance increase of \$90,627 came principally from the transfer in from the General Fund and collections of Utility Special Assessments. The major fund balances relate to future development and capital project fund balances.

The City's **Proprietary Funds** provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Water Utility at the end of the year amounted to \$1,672,024, an increase of \$207,301 from the prior year.

Unrestricted net position of the Sanitary Sewer Fund at the end of the year amounted to \$1,181,704, a decrease of \$1,369,203 from the prior year.

The enterprise funds financial statements can be found on Exhibits G, H and I of this report.

General Fund Budgetary Highlights

Revenue exceeded the budget by \$193,261. Exempt Computer Aid revenues exceeded budget by \$245,000 on a temporary placement of equipment in the City. Building permit revenues were below budget by \$187,000 due to the lack of any major projects.

Actual expenditures were less than budgeted expenditures by \$1,990,956. The largest favorable variances were in General Government and Public Works. The City established a \$950,000 restricted

contingency reserve, in part, to preserve shared revenue from the State. That contingency was not needed. Reductions in oil prices and a warm winter reduced the need for road salt, both reducing Public Works costs.

A \$476,946 surplus compares favorably to the originally budgeted \$1,450,000 deficit. Reduced expenditures are the driver behind these results.

Capital assets

The City's investment in capital assets for its governmental and business type activities as of December 31, 2015, amounts to \$205,589,300 net of accumulated depreciation. This investment in capital assets includes land, buildings, improvements other than buildings and machinery and equipment.

City of Franklin's Investment in Capital Assets

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 25,268,691	\$ 24,949,631	\$ 521,225	\$ 521,225	\$ 25,789,916	\$ 25,470,856
Buildings and Improvements	24,880,902	24,717,845	6,646,943	3,434,412	31,527,845	28,152,257
Improvements other than buildings	95,141,359	93,860,788	108,949,807	110,447,988	204,091,166	204,308,776
Machinery and and equipment	18,137,992	17,514,597	5,296,978	2,694,341	23,434,970	20,208,938
Construction in process	<u>1,180,903</u>	<u>423,313</u>	<u>40,484</u>	<u>351,610</u>	<u>1,221,387</u>	<u>774,923</u>
Total capital assets	164,609,847	161,466,174	121,455,437	117,449,576	286,065,284	278,915,750
Less Accumulated depreciation	<u>(49,104,573)</u>	<u>(46,581,490)</u>	<u>(31,371,411)</u>	<u>(28,882,319)</u>	<u>(80,475,984)</u>	<u>(75,463,809)</u>
Capital assets net of depreciation	<u>\$ 115,505,274</u>	<u>\$ 114,884,684</u>	<u>\$ 90,084,026</u>	<u>\$ 88,567,257</u>	<u>\$ 205,589,300</u>	<u>\$ 203,451,941</u>

The total increase in the City's net investment in capital assets net of depreciation for the current fiscal year was \$2,137,359 or 1.1%

For further details on capital asset activity refer to Note 1(D)5 and Note 4(D) of the Notes to Financial Statements and Schedules 12 – 12.2.

Long-term debt

State statutes limit the amount of general obligation debt a governmental entity may issue up to 5 percent of its total equalized valuation. At December 31, 2015, the City had general obligation note and bond issues outstanding totaling \$35,912,276. The current legal debt limitation for the City is \$182,459,295. The City's current outstanding general obligation debt is 20% of the statutory debt limit. In the last 15 years the City has not exceeded 29% of the statutory debt limit.

By City policy, outstanding general obligation debt is limited to 2% of total equalized value or \$72,983,718. Outstanding debt represents 49% of this internal limit, leaving an internal debt limit margin of \$37,071,441.

The City's present rating from Moody's for its general obligation debt is "Aa1".

In December 2014, a new \$5,320,000 ten year debt issue was sold. TIF District #3 sold \$3,330,000 for infrastructure costs on the 27th Street project, while the City will use \$1,990,000 for Capital Improvement projects. The Franklin Water Utility borrowed \$1,290,000 on a 20 year bond to finance construction of the Water & Waste Water Building. The utility's plan is to make future infrastructure improvements including water main replacement and new water service from current reserves and from City collected impact fees.

In April 2016, the City refunded the 2007 bonds with a notional value of \$5,895,000. The interest rate dropped from 3.8% to 2.0%.

In January, 2012, the Franklin Sewer Fund signed a Clean Water Fund Note with a notional amount of \$27,562,754 to fund the construction of a sewer interceptor in the City. The note had a balance of \$22,357,277 at December 31, 2015. The Notes have a 20 year repayment schedule to May, 2031. The City has an intergovernmental agreement with another government to pay the City the required interest and principal with payments on the Clean Water Fund loan beginning in 2015.

City of Franklin's Outstanding Debt (All purposes)						
	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
General obligation						
Bonds	\$ 7,095,000	\$ 7,615,000	\$ 23,592,276	\$ 24,776,522	\$ 30,687,276	\$ 32,391,522
Notes	<u>5,225,000</u>	<u>5,320,000</u>	<u>-</u>	<u>-</u>	<u>5,225,000</u>	<u>5,320,000</u>
Total	<u>\$ 12,320,000</u>	<u>\$ 12,935,000</u>	<u>\$ 23,592,276</u>	<u>\$ 24,776,522</u>	<u>\$ 35,912,276</u>	<u>\$ 37,711,522</u>

Additional information of the City's long-term debt can be found in note 4(F), Schedule 5 and Tables 11 – 13 in the statistical section of the report.

Other Changes of Significance

Post Employment Health Care Benefits

The City of Franklin provides retiree health care benefits to certain retiree groups from the date of retirement until age 65. Prior to 2008 the City's portion of health care cost was recognized as an expenditure in the period premiums were paid. Funding for those costs was provided out of the current operating budget of the City. This was referred to as financing on a pay as you go basis.

The Government Accounting Standards Board (GASB) issued Statement #45 effective for the City of Franklin on January 1, 2008 that said that the expense of these benefits has to be recognized over the working lives of the employees. The Common Council concluded that the City of Franklin should not only recognize the expense on its financial statements but should fund those amounts out of its general revenue starting in 2008 with the establishment of a section 115 trust. The actuarial computed annual required contribution under GASB #45 for 2015 was \$324,393 and for 2014 was \$551,716. The City prepaid \$151,058 when the ARC unexpectedly declined more than expected.

More detailed information can be found in footnote 5C.

Economic Factors, Tax Rates and Next Year's Budgets

- The unemployment rate as of December 31, 2015 for the City was 4.0% and Milwaukee County which includes the City, was 5.2%. This compares with an unemployment rate of 4.3% for the State of Wisconsin.
The local tax rate decreased 0.3% for operations for the current and in the prior two years changed (0.2), and (0.3)%, respectively. The tax levy was un-changed the past three years

Requests for Information

This financial report is designed to provide a general overview of the City's finances for those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance & Treasurer, City of Franklin 9229 West Loomis Road, Franklin, WI 53132.

General information or more detailed financial and budget information relating to the City of Franklin can be found at the City's website, www.franklinwi.gov - Finance Department tab.

BASIC FINANCIAL STATEMENTS

CITY OF FRANKLIN, WISCONSIN
Statement of Net Position
December 31, 2015

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 24,154,465	\$ 828,364	\$ 24,982,829
Receivables, net			
Accounts receivable	849,234	2,453,201	3,302,435
Taxes receivable	25,069,277	291,685	25,360,962
Special assessments receivable	1,299,346	-	1,299,346
Internal balances	99,221	(99,221)	0
Due from other governments	156,313	-	156,313
Prepaid items	83,864	6,148	90,012
Inventories	15,552	-	15,552
Long term advances	2,198,616	(2,198,616)	-
Restricted cash and investments	-	356,106	356,106
Due from other governments - long term	-	25,311,900	25,311,900
Regulatory asset	-	434,057	434,057
Restricted pension asset - WRS	2,066,135	-	2,066,135
Net OPEB asset	146,420	4,638	151,058
Capital assets (net of accumulated depreciation)			
Land	25,268,691	521,225	25,789,916
Buildings and improvements	15,288,651	5,345,449	20,634,100
Machinery and equipment	6,812,142	1,797,294	8,609,436
Improvements other than buildings	66,954,887	82,379,574	149,334,461
Construction in progress	1,180,903	40,484	1,221,387
Total assets	171,643,717	117,472,288	289,116,005
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized refunding costs	121,419	-	121,419
Pension resources	2,721,987	286,380	3,008,367
Total deferred outflow of resources	2,843,406	286,380	3,129,786
LIABILITIES			
Accounts payable	2,099,550	1,428,134	3,527,684
Accrued liabilities	1,011,790	63,665	1,075,455
Due to other governments	3,281	-	3,281
Accrued interest	135,966	103,301	239,267
Special deposits	141,250	-	141,250
Pension obligation - DPW	733,716	377,974	1,111,690
Noncurrent liabilities			
Due within one year	2,681,386	1,275,745	3,957,131
Due in more than one year	11,823,336	22,438,309	34,261,645
Total liabilities	18,630,275	25,687,128	44,317,403
DEFERRED INFLOWS OF RESOURCES			
Subsequent year property taxes	24,809,701	-	24,809,701
NET POSITION			
Net Investment in capital assets	107,184,603	88,861,706	196,046,309
Restricted for			
Debt service	482,773	-	482,773
Utility improvements	1,999,759	-	1,999,759
Development	3,851,653	-	3,851,653
Library	524,137	-	524,137
Solid Waste	260,944	-	260,944
Recreation services	47,656	-	47,656
Health	160,003	-	160,003
Donations	133,678	-	133,678
Sewer equipment replacement	-	356,106	356,106
Unrestricted	16,401,941	2,853,728	19,255,669
Total net position	\$ 131,047,147	\$ 92,071,540	\$ 223,118,687

CITY OF FRANKLIN, WISCONSIN
Statement of Activities
Year Ended December 31, 2015

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 2,990,355	\$ 150,787	\$ -	\$ 15,540	\$ (2,824,028)	\$ -	\$ (2,824,028)
Public safety	16,959,091	2,362,176	310,522	77,903	(14,208,490)	-	(14,208,490)
Public works	8,304,583	2,719,888	1,286,577	280,675	(4,017,443)	-	(4,017,443)
Health and human services	726,000	164,674	53,337	1,440	(506,549)	-	(506,549)
Culture and recreation	1,969,297	146,594	159,084	767,313	(896,306)	-	(896,306)
Conservation and development	576,421	152,588	-	1,886	(421,947)	-	(421,947)
Interest on long term debt	405,022	-	-	-	(405,022)	-	(405,022)
Total governmental activities	<u>31,930,769</u>	<u>5,696,707</u>	<u>1,809,520</u>	<u>1,144,757</u>	<u>(23,279,785)</u>	<u>-</u>	<u>(23,279,785)</u>
Business-type activities:							
Water	5,766,088	5,609,928	-	541,420	-	385,260	385,260
Sewer	4,148,420	3,340,382	-	24,831	-	(783,207)	(783,207)
Total business-type activities	<u>9,914,508</u>	<u>8,950,310</u>	<u>-</u>	<u>566,251</u>	<u>-</u>	<u>(397,947)</u>	<u>(397,947)</u>
Total primary government	<u>\$ 41,845,277</u>	<u>\$ 14,647,017</u>	<u>\$ 1,809,520</u>	<u>\$ 1,711,008</u>	<u>(23,279,785)</u>	<u>(397,947)</u>	<u>(23,677,732)</u>
General revenue:							
Property taxes levied for general purposes					19,022,087	-	19,022,087
Property taxes levied for debt service					1,600,000	-	1,600,000
Property taxes levied for TIF Districts					2,690,637	-	2,690,637
Other taxes					785,195	-	785,195
Intergovernmental revenue not restricted to specific programs					1,804,045	-	1,804,045
Investment earnings					411,650	593,128	1,004,778
Miscellaneous revenue					48,685	73,601	122,286
Gain on sale of capital assets					13,106	-	13,106
Transfers					1,044,459	(1,044,459)	-
Total general revenue and transfers					<u>27,419,864</u>	<u>(377,730)</u>	<u>27,042,134</u>
Change in net position					<u>4,140,079</u>	<u>(775,677)</u>	<u>3,364,402</u>
Net position - beginning					122,708,989	92,896,445	215,605,434
Restatement - pension					4,198,079	(49,228)	4,148,851
Net position - beginning (restated)					<u>126,907,068</u>	<u>92,847,217</u>	<u>219,754,285</u>
Net position - ending					<u>\$ 131,047,147</u>	<u>\$ 92,071,540</u>	<u>\$ 223,118,687</u>

See accompanying notes to the financial statements.

CITY OF FRANKLIN, WISCONSIN
Balance Sheet
Governmental Funds
December 31, 2015

	<u>General</u>	<u>Debt Service</u>	<u>TIF Districts</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and investments	\$ 7,386,259	\$ 474,944	\$ 2,752,183	\$ 10,954,011	\$ 21,567,397
Receivables					
Accounts receivable	775,854	-	44,061	29,127	849,042
Taxes receivable	16,359,185	1,532,339	3,020,351	4,157,402	25,069,277
Special assessments receivable	-	111,456	-	1,187,890	1,299,346
Due from other funds	71,384	-	-	131,198	202,582
Due from other governments	71,352	-	-	84,961	156,313
Prepaid items	25,634	-	-	730	26,364
Inventories	15,552	-	-	-	15,552
Advances to other funds	2,198,616	-	-	850,000	3,048,616
TOTAL ASSETS	\$ 26,903,836	\$ 2,118,739	\$ 5,816,595	\$ 17,395,319	\$ 52,234,489
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 569,150	\$ -	\$ -	\$ 1,530,022	\$ 2,099,172
Accrued liabilities	717,854	-	-	23,436	741,290
Due to other funds	91,809	-	-	11,552	103,361
Due to other governments	2,875	-	-	406	3,281
Special deposits	141,250	-	-	-	141,250
Advance from other funds	-	-	1,938,000	-	1,938,000
Total liabilities	1,522,938	-	1,938,000	1,565,416	5,026,354
DEFERRED INFLOWS OF RESOURCES					
Unearned & unavailable revenue	16,330,989	1,611,456	3,020,351	5,051,116	26,013,912
FUND BALANCES (DEFICIT)					
Nonspendable:					
Inventories and prepaid items	41,186	-	-	730	41,916
Advances to other funds	2,198,616	-	-	-	2,198,616
Restricted:					
Debt service	-	507,283	-	-	507,283
Utility improvements	-	-	-	907,003	907,003
Development	-	-	-	3,851,653	3,851,653
TIF Districts	-	-	996,460	-	996,460
Donations	-	-	-	133,678	133,678
Health services	-	-	-	160,003	160,003
Library services	-	-	-	523,237	523,237
Solid waste	-	-	-	260,944	260,944
Recreational services	-	-	-	47,656	47,656
Assigned:					
Purchases on order	147,121	-	-	-	147,121
Capital projects	-	-	-	4,906,594	4,906,594
Unassigned (deficit)	6,662,986	-	(138,216)	(12,711)	6,512,059
Total fund balances (deficit)	9,049,909	507,283	858,244	10,778,787	21,194,223
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES (DEFICIT)	\$ 26,903,836	\$ 2,118,739	\$ 5,816,595	\$ 17,395,319	\$ 52,234,489

See accompanying notes to the financial statements.

CITY OF FRANKLIN, WISCONSIN
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
December 31, 2015

Fund balances - total governmental funds	\$	21,194,223
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Certain assets used in government activities are not financial resources and are therefore are not reported in the funds</p>		
Capital assets, net of depreciation		115,505,274
Restricted pension asset - WRS		2,066,135
Net OPEB asset		146,420
<p>Some receivables that are not currently available are reported as deferred inflows of resources in the fund financial statements but are recognized as revenues when earned in the government-wide statements</p>		
Special assessments		1,204,211
<p>Deferred outflows of resources related to pensions are applicable to future periods and, therefore, are not reported in fund statements</p>		
		2,721,987
<p>Internal Service Fund net position</p>		
		3,461,882
<p>Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due</p>		
General obligation debt		(12,523,902)
Compensated absences		(1,980,820)
Unamortized refunding costs		121,419
Accrued Interest		(135,966)
Pension obligation - DPW		(733,716)
		(2,132,085)
Net position of governmental activities	\$	131,047,147

CITY OF FRANKLIN, WISCONSIN
Statement of Revenue, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended December 31, 2015

	<u>General</u>	<u>Debt Service</u>	<u>TIF Districts</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUE					
Taxes	\$17,015,261	\$ 1,600,000	\$ 2,782,658	\$ 2,700,000	\$ 24,097,919
Intergovernmental revenue	2,775,349	-	441,341	273,347	3,490,037
Licenses and permits	669,367	-	-	37,610	706,977
Fines, forfeitures and penalties	484,957	-	-	-	484,957
Public charges for services	1,544,611	-	-	2,520,723	4,065,334
Special assessments	-	47,683	-	594,573	642,256
Intergovernmental charges for services	192,188	-	-	-	192,188
Investment earnings	238,562	12,500	7,830	167,126	426,018
Miscellaneous revenue	155,576	-	138,885	125,003	419,464
Total revenue	<u>23,075,871</u>	<u>1,660,183</u>	<u>3,370,714</u>	<u>6,418,382</u>	<u>34,525,150</u>
EXPENDITURES					
Current					
General government	2,720,473	-	52,921	10,351	2,783,745
Public safety	15,983,174	-	-	23,013	16,006,187
Public works	3,046,338	-	313	1,540,457	4,587,108
Health and human services	633,387	-	-	82,782	716,169
Culture, recreation and education	177,798	-	-	1,428,229	1,606,027
Conservation and development	568,364	-	-	-	568,364
Capital outlay	-	-	1,428,942	3,668,104	5,097,046
Debt service					
Principal	-	595,000	20,000	-	615,000
Interest	-	315,672	144,400	-	460,072
Debt issuance costs	-	-	-	-	-
Total expenditures	<u>23,129,534</u>	<u>910,672</u>	<u>1,646,576</u>	<u>6,752,936</u>	<u>32,439,718</u>
Excess (deficiency) of revenue over expenditures	<u>(53,663)</u>	<u>749,511</u>	<u>1,724,138</u>	<u>(334,554)</u>	<u>2,085,432</u>
OTHER FINANCING SOURCES (USES)					
Sale of capital assets	-	-	-	33,675	33,675
Transfers in	1,044,460	182,493	-	1,181,300	2,408,253
Transfers out	<u>(574,000)</u>	<u>-</u>	<u>-</u>	<u>(789,794)</u>	<u>(1,363,794)</u>
Total other financing sources and uses	<u>470,460</u>	<u>182,493</u>	<u>-</u>	<u>425,181</u>	<u>1,078,134</u>
Net change in fund balances	416,797	932,004	1,724,138	90,627	3,163,566
Fund balances (deficit) - beginning	<u>8,633,112</u>	<u>(424,721)</u>	<u>(865,894)</u>	<u>10,688,160</u>	<u>18,030,657</u>
Fund balances (deficit) - ending	<u>\$ 9,049,909</u>	<u>\$ 507,283</u>	<u>\$ 858,244</u>	<u>\$ 10,778,787</u>	<u>\$ 21,194,223</u>

See accompanying notes to the financial statements.

CITY OF FRANKLIN, WISCONSIN
Reconciliation of the Statement of Revenue
Expenditures and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
Year Ended December 31, 2015

Net change in fund balances - total governmental funds	\$ 3,163,566
Amounts reported for governmental activities in the statement of activities are different because:	
<p>Governmental funds report capital outlays as expenditures. However in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense or losses when disposed of.</p>	
Capital outlays	3,085,235
Depreciation	(3,124,894)
Net book value of assets disposed	(20,569)
Contributed capital assets are reported as revenues in the statement of activities.	680,818
<p>The issuance of long-term debt (e.g. notes, leases) provides current financial resources to governmental funds, while the repayment of the principal on long-term debt consumes current financial resources of government funds. Neither transaction, however, has any effect on net position.</p>	
Principal paid on long-term debt	615,000
<p>Government funds report the effects of premiums, discounts and refunding losses when the debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of the differences in the treatment of these items.</p>	
	6,212
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in the government funds</p>	
Compensated absences	(156,486)
Accrued interest payable	(33,824)
<p>Revenue in the governmental funds that provides current financial resources but has been previously reported as revenue in the statement of activities</p>	
Net special assessments	(178,317)
<p>Long-term assets, deferred outflows, and liabilities related to net OPEB and pension obligations, are not due in the current period and, therefore, are not reported in the fund statements. The change in the net OPEB asset, net WRS pension asset and net DPW pension obligation reported in the Statement of Activities is not reported in the fund statements.</p>	
	81,627
Internal service fund change in net position	<u>21,711</u>
Net change in net position of governmental activities	<u>\$ 4,140,079</u>

See accompanying notes to the financial statements.

CITY OF FRANKLIN, WISCONSIN
General Fund
Statement of Revenue, Expenditures and Changes in Fund Balances -
Budget and Actual (on a Budgetary Basis)
Year Ended December 31, 2015

	Budgeted Amount		Actual	Variance with final budget - Favorable (Unfavorable)
	Original	Final		
REVENUE				
Taxes	\$ 18,125,700	\$ 18,125,700	\$ 18,059,721	\$ (65,979)
Intergovernmental revenue	2,480,500	2,480,500	2,775,349	294,849
Licenses and permits	862,100	862,100	669,367	(192,733)
Fines, forfeitures and penalties	422,600	422,600	484,957	62,357
Public charges for services	1,515,070	1,524,870	1,544,611	19,741
Intergovernmental charges for services	201,300	201,300	192,188	(9,112)
Investment earnings (loss)	206,500	206,500	238,562	32,062
Miscellaneous revenue	103,500	103,500	155,576	52,076
Total revenue	23,917,270	23,927,070	24,120,331	193,261
EXPENDITURES				
Current				
General government	3,676,116	3,655,924	2,711,718	944,206
Public safety	16,289,014	16,332,888	15,990,875	342,013
Public works	3,594,653	3,562,872	3,079,890	482,982
Health and human services	647,732	656,732	633,388	23,344
Culture and recreation	155,328	181,573	176,452	5,121
Conservation and development	480,427	670,352	477,062	193,290
Total expenditures	24,843,270	25,060,341	23,069,385	1,990,956
Excess (deficiency) of revenue over (under) expenditures	(926,000)	(1,133,271)	1,050,946	2,184,217
OTHER FINANCING SOURCES (USES)				
Transfers in	175,000	175,000	-	(175,000)
Transfers out	(699,000)	(749,000)	(574,000)	175,000
Net change in fund balance - budgetary basis	(1,450,000)	(1,707,271)	476,946	2,184,217
Adjustments to generally accepted accounting principles basis				
2015 encumbrances	-	-	147,121	(147,121)
2014 encumbrances	-	-	(207,270)	207,270
Net change in fund balance - generally accepted accounting principles basis	(1,450,000)	(1,707,271)	416,797	2,244,366
Fund Balances - beginning	8,633,112	8,633,112	8,633,112	-
Fund Balances - ending	\$ 7,183,112	\$ 6,925,841	\$ 9,049,909	\$ 2,244,366

See accompanying notes to the financial statements.

CITY OF FRANKLIN, WISCONSIN
Statement of Net Position
Proprietary Funds
December 31, 2015
(with comparative information for December 31, 2014)

	Business-type Activities - Enterprise Funds				Current Year Totals	Governmental Activities - Internal Service Funds
	Water Utility Current Year	Water Utility Prior Year	Sanitary Sewer Current Year	Sanitary Sewer Prior Year		
ASSETS						
Current assets						
Cash and investments	\$ 828,364	\$ 2,403,805	\$ -	\$ 1,832,100	\$ 828,364	\$ 2,587,068
Receivables						
Accounts receivable	1,309,816	1,281,230	1,143,385	1,189,712	2,453,201	192
Taxes receivable	167,052	189,877	124,633	110,305	291,685	-
Due from other funds	107,810	20,919	89,219	73,532	197,029	-
Due from other governments	-	-	-	4,109	-	-
Prepaid expenses	4,039	-	2,109	-	6,148	57,500
Advance to other funds	-	-	-	-	-	1,088,000
Total current assets	<u>2,417,081</u>	<u>3,895,831</u>	<u>1,359,346</u>	<u>3,209,758</u>	<u>3,776,427</u>	<u>3,732,760</u>
Noncurrent assets						
Restricted cash and investments	-	-	356,106	313,558	356,106	-
Due from other governments	-	-	25,311,900	26,055,931	25,311,900	-
Regulatory assets	434,057	-	-	-	434,057	-
Net OPEB Asset	2,319	-	2,319	-	4,638	-
Capital assets						
Land	162,885	162,885	358,340	358,340	521,225	-
Buildings and improvements	3,369,172	1,812,979	3,277,771	1,621,433	6,646,943	-
Improvements other than buildings	54,568,851	56,332,711	54,380,957	54,115,277	108,949,808	-
Machinery and equipment	4,500,307	1,923,630	796,670	770,711	5,296,977	-
Construction in progress	21,389	183,552	19,095	168,058	40,484	-
Less accumulated depreciation	<u>(17,147,492)</u>	<u>(15,338,874)</u>	<u>(14,223,919)</u>	<u>(13,543,445)</u>	<u>(31,371,411)</u>	<u>-</u>
Total capital assets (net of accumulated depreciation)	<u>45,475,112</u>	<u>45,076,883</u>	<u>44,608,914</u>	<u>43,490,374</u>	<u>90,084,026</u>	<u>-</u>
Total noncurrent assets	<u>45,911,488</u>	<u>45,076,883</u>	<u>70,279,239</u>	<u>69,859,863</u>	<u>116,190,727</u>	<u>-</u>
Total assets	<u>48,328,569</u>	<u>48,972,714</u>	<u>71,638,585</u>	<u>73,069,621</u>	<u>119,967,154</u>	<u>3,732,760</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred pension resources	<u>180,266</u>	<u>-</u>	<u>106,114</u>	<u>-</u>	<u>286,380</u>	<u>-</u>
Total deferred outflows of resources	<u>180,266</u>	<u>-</u>	<u>106,114</u>	<u>-</u>	<u>286,380</u>	<u>-</u>

CITY OF FRANKLIN, WISCONSIN
Statement of Net Position
Proprietary Funds
December 31, 2015
(with comparative information for December 31, 2014)

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water Utility Current Year	Water Utility Prior Year	Sanitary Sewer Current Year	Sanitary Sewer Prior Year	Current Year Totals	
LIABILITIES						
Current liabilities						
Accounts payable	\$ 830,203	\$ 810,929	\$ 597,931	\$ 839,679	\$ 1,428,134	\$ 378
Accrued liabilities	21,798	215,271	41,867	22,073	63,665	270,500
Accrued interest payable	11,562	1,451	91,739	96,373	103,301	-
Due to other funds	186,335	65,554	109,915	10,210	296,250	-
Special deposits	-	100	-	-	-	-
Current portion of long-term obligations	86,849	85,424	1,188,896	1,159,672	1,275,745	-
Total current liabilities	<u>1,136,747</u>	<u>1,178,729</u>	<u>2,030,348</u>	<u>2,128,007</u>	<u>3,167,095</u>	<u>270,878</u>
Noncurrent liabilities						
Pension Liability	244,572	-	133,402	-	377,974	-
General obligation notes payable	1,167,320	1,221,494	21,200,228	22,357,276	22,367,548	-
Accrued compensated absences	35,380	30,885	35,381	30,883	70,761	-
Total noncurrent liabilities	<u>1,447,272</u>	<u>1,252,379</u>	<u>21,369,011</u>	<u>22,388,159</u>	<u>22,816,283</u>	<u>-</u>
Long-term advances	-	-	2,198,616	2,198,616	2,198,616	-
Total liabilities	<u>2,584,019</u>	<u>2,431,108</u>	<u>25,597,975</u>	<u>26,714,782</u>	<u>28,181,994</u>	<u>270,878</u>
NET POSITION						
Net Investment in capital assets	44,252,792	45,076,883	44,608,914	43,490,374	88,861,706	-
Restricted for						
Sewer equipment replacement	-	-	356,106	313,558	356,106	-
Unrestricted	1,672,024	1,464,723	1,181,704	2,550,907	2,853,728	3,461,882
Total net position	<u>\$ 45,924,816</u>	<u>\$ 46,541,606</u>	<u>\$ 46,146,724</u>	<u>\$ 46,354,839</u>	<u>\$ 92,071,540</u>	<u>\$ 3,461,882</u>

See accompanying notes to the financial statements.

CITY OF FRANKLIN, WISCONSIN
Statement of Revenue, Expenses and Changes in Fund Net Position
Proprietary Funds
Year Ended December 31, 2015
(with comparative information for December 31, 2014)

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water Utility Current Year	Water Utility Prior Year	Sanitary Sewer Current Year	Sanitary Sewer Prior Year	Current Year Totals	
OPERATING REVENUE						
Metered sales						
Residential	\$ 2,822,150	\$ 2,672,235	\$ 1,871,113	\$ 1,849,264	\$ 4,693,263	\$ -
Multi-family	663,537	-	424,760	-	1,088,297	-
Commercial	777,816	1,386,801	467,975	836,370	1,245,791	-
Industrial	392,069	389,416	406,203	396,238	798,272	-
Public authority	250,751	283,623	133,395	152,953	384,146	-
Total metered sales	4,906,323	4,732,075	3,303,446	3,234,825	8,209,769	-
Group health & dental charges	-	-	-	-	-	3,149,719
Unmetered sales	11,385	8,557	-	-	11,385	-
Public fire protection service	517,722	511,413	-	-	517,722	-
Private fire protection service	121,055	118,154	-	-	121,055	-
Forfeited discounts, penalties and other	53,443	51,520	36,936	32,072	90,379	-
Total operating revenue	5,609,928	5,421,719	3,340,382	3,266,897	8,950,310	3,149,719
OPERATING EXPENSES						
Cost of sales and services	3,621,471	3,521,334	2,678,872	2,730,849	6,300,343	3,196,302
Depreciation and amortization	1,557,514	1,097,571	692,909	661,745	2,250,423	-
Administration	576,166	437,030	216,935	201,202	793,101	-
Total operating expenses	5,755,151	5,055,935	3,588,716	3,593,796	9,343,867	3,196,302
Operating income (loss)	(145,223)	365,784	(248,334)	(326,899)	(393,557)	(46,583)
NONOPERATING REVENUE (EXPENSES)						
Investment earnings (loss)	3,368	(4,504)	589,760	646,731	593,128	68,294
Sundry	67,475	49,263	6,126	1,615	73,601	-
Interest expense	(10,937)	(21,809)	(559,704)	(587,150)	(570,641)	-
Total non-operating revenue (expenses)	59,906	22,950	36,182	61,196	96,088	68,294
Income (loss) before capital contributions and transfers	(85,317)	388,734	(212,152)	(265,703)	(297,469)	21,711
Capital contributions	541,420	406,060	24,831	150,235	566,251	-
Transfers in	-	873,727	-	-	-	-
Transfers out	(1,041,040)	(1,044,446)	(3,419)	(2,418)	(1,044,459)	-
Change in net position	(584,937)	624,075	(190,740)	(117,886)	(775,677)	21,711
Net position - beginning	46,541,606	45,917,531	46,354,839	46,472,725	92,896,445	3,440,171
Restatement - pension	(31,853)	-	(17,375)	-	(49,228)	-
Net position - beginning (restated)	46,509,753	45,917,531	46,337,464	46,472,725	92,847,217	92,390,256
Net position - ending	\$ 45,924,816	\$ 46,541,606	\$ 46,146,724	\$ 46,354,839	\$ 92,071,540	\$ 3,461,882

See accompanying notes to the financial statements.

CITY OF FRANKLIN, WISCONSIN
Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2015
(with comparative information for the year ended December 31, 2014)

	Business-type Activities - Enterprise Funds				Current Year Totals	Governmental Activities - Internal Service Funds
	Water Utility Current Year	Water Utility Prior Year	Sanitary Sewer Current Year	Sanitary Sewer Prior Year		
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers and users	\$ 5,397,656	\$ 5,224,511	\$ 3,382,616	\$ 2,991,421	\$ 8,780,272	\$ 3,161,224
Receipts for interfund services provided	273,986	269,324	-	-	273,986	-
Payments to suppliers	(3,580,074)	(3,151,993)	(2,534,518)	(2,170,464)	(6,114,592)	(3,301,404)
Payments to employees	(616,922)	(487,161)	(403,655)	(431,693)	(1,020,577)	-
Payments for interfund services used	(96,600)	(95,400)	(96,600)	(95,400)	(193,200)	-
Net cash flows provided by (used in) operating activities	<u>1,378,046</u>	<u>1,759,281</u>	<u>347,843</u>	<u>293,864</u>	<u>1,725,889</u>	<u>(140,180)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfer out - paid for tax equivalent	<u>(1,041,040)</u>	<u>(1,044,446)</u>	<u>(3,419)</u>	<u>(2,418)</u>	<u>(1,044,459)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Proceeds from capital debt	-	1,276,494	-	23,211	-	-
Transfers from other funds	-	873,727	-	-	-	-
Advances from other funds	-	-	-	1,693,576	-	-
Loss on Disposal of Asset	86,741	-	-	-	86,741	-
Payments on capital debt	(55,000)	-	(1,129,246)	(1,102,112)	(1,184,246)	-
Advances to other governments	-	-	744,031	(604,546)	744,031	-
Interest on capital debt	-	(20,358)	(564,338)	(591,464)	(564,338)	-
Acquisition of capital assets	(1,947,556)	(490,511)	(1,774,183)	(184,583)	(3,721,739)	-
Net cash provided (used) by capital and related financing activities	<u>(1,915,815)</u>	<u>1,639,352</u>	<u>(2,723,736)</u>	<u>(765,918)</u>	<u>(4,639,551)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Payments received on advances to other funds	-	-	-	-	-	1,250,000
Investment earnings	3,368	(4,504)	589,760	646,731	593,128	68,294
Net cash provided (used) by investing activities	<u>3,368</u>	<u>(4,504)</u>	<u>589,760</u>	<u>646,731</u>	<u>593,128</u>	<u>1,318,294</u>
Net increase (decrease) in cash and cash equivalents	(1,575,441)	2,349,683	(1,789,552)	172,259	(3,364,993)	1,178,114
Cash and cash equivalents - Beginning	<u>2,403,805</u>	<u>54,122</u>	<u>2,145,658</u>	<u>1,973,399</u>	<u>4,549,463</u>	<u>1,408,954</u>
Cash and cash equivalents - Ending	<u>\$ 828,364</u>	<u>\$ 2,403,805</u>	<u>\$ 356,106</u>	<u>\$ 2,145,658</u>	<u>\$ 1,184,470</u>	<u>\$ 2,587,068</u>
Cash and Investments - Unrestricted	\$ 828,364	\$ 2,403,805	\$ -	\$ 1,832,100	\$ 828,364	\$ 2,587,068
Cash and Investments - Restricted	-	-	356,106	313,558	356,106	-
	<u>\$ 828,364</u>	<u>\$ 2,403,805</u>	<u>\$ 356,106</u>	<u>\$ 2,145,658</u>	<u>\$ 1,184,470</u>	<u>\$ 2,587,068</u>

See accompanying notes to the financial statements.

CITY OF FRANKLIN, WISCONSIN
Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2015
(with comparative information for the year ended December 31, 2014)

	Business-type Activities - Enterprise Funds				Current Year Totals	Governmental Activities - Internal Service Funds
	Water Utility Current Year	Water Utility Prior Year	Sanitary Sewer Current Year	Sanitary Sewer Prior Year		
Reconciliation of operating income (loss) to net cash provided by operating activities						
Operating income (loss)	\$ (145,223)	\$ 365,784	\$ (248,334)	\$ (326,899)	\$ (393,557)	\$ (46,583)
Adjustments to reconcile operating income (loss) to net cash flows provided by operating activities						
Depreciation	1,557,514	1,097,571	692,909	661,745	2,250,423	-
Depreciation allocated to other funds	12,435	5,424	(12,435)	(5,424)	-	-
Nonoperating revenues	67,475	49,263	6,126	1,615	73,601	-
(Increase) decrease in assets						
Accounts receivable	(28,586)	25,476	46,327	(300,039)	17,741	11,505
Taxes receivable	22,825	(8,048)	(14,328)	22,948	8,497	-
Prepaid expense	(4,039)	502	(2,109)	-	(6,148)	-
Due from other funds	(86,891)	55,205	(15,687)	(18,834)	(102,578)	-
Due from other governments	-	-	4,109	(4,109)	4,109	-
Regulatory asset	-	-	-	-	-	-
Other post employment benefits asset	(2,319)	-	(2,319)	-	(4,638)	-
Pension benefits	(180,266)	-	(106,114)	-	(286,380)	-
Increase (decrease) in liabilities						
Accounts payable	19,274	75,280	(241,748)	256,061	(222,474)	(5,102)
Accrued liabilities	(193,473)	214,582	19,794	3,979	(173,679)	(100,000)
Due to other governments	-	-	-	-	-	-
Due to other funds	120,781	(122,940)	99,705	(761)	220,486	-
Customer deposits	(100)	(2,400)	-	-	(100)	-
Pension obligations	212,719	-	116,027	-	328,746	-
Compensated absences	5,920	3,582	5,920	3,582	11,840	-
Total adjustments	<u>1,523,269</u>	<u>1,393,497</u>	<u>596,177</u>	<u>620,763</u>	<u>2,119,446</u>	<u>(93,597)</u>
Net cash flows provided by (used in) operating activities	<u>\$ 1,378,046</u>	<u>\$ 1,759,281</u>	<u>\$ 347,843</u>	<u>\$ 293,864</u>	<u>\$ 1,725,889</u>	<u>\$ (140,180)</u>
Noncash Capital Activities						
Cost of Utility plant installed and/or financed by external parties or the City	<u>\$ 541,420</u>	<u>\$ 406,060</u>	<u>\$ 24,831</u>	<u>\$ 150,235</u>	<u>\$ 566,251</u>	<u>\$ -</u>

See accompanying notes to the financial statements.

CITY OF FRANKLIN, WISCONSIN
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2015

	Agency Funds	City of Franklin Post Employment Benefits Trust
ASSETS		
Cash	\$ 52,804,482	\$ 187,669
Investments:		
Fixed Income Securities - Corporate Bonds	-	1,195,435
Domestic Equities	-	2,876,660
International Equities	-	449,124
Total Cash & Investments	52,804,482	4,708,888
Accounts receivable	9,069	941
Taxes receivable	18,319,156	-
Due from Municipality	-	-
Total assets	\$ 71,132,707	\$ 4,709,829
LIABILITIES		
Accounts payable	\$ 165,535	\$ 146,844
Accrued liabilities	-	45,000
Due to other governments	70,957,235	-
Due to municipality	-	-
Special deposits	9,937	-
Total liabilities	\$ 71,132,707	191,844
Net position restricted for post employment benefits		\$ 4,517,985

CITY OF FRANKLIN, WISCONSIN
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended December 31, 2015

	City of Franklin Post Employment Benefits Trust
ADDITIONS	
Contributions	
City of Franklin	\$ 475,451
Retirees	85,444
Net investment earnings	18,704
Total additions	579,599
DEDUCTIONS	
Incurring claims	612,282
Prescription drug claims	88,845
Claims fees	10,187
Stop loss premiums less claims received	(231,461)
Total deductions	479,853
Change in net position	99,746
NET POSITION HELD IN TRUST FOR POST EMPLOYMENT BENEFITS:	
Beginning of year	4,418,239
End of year	\$ 4,517,985

See accompanying notes to the financial statements.

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2015**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying summary of the City of Franklin's more significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. These policies, as presented, should be reviewed as an integral part of the accompanying financial statements. The accounting policies of the City conform to accounting principles generally accepted in the United States of America as applicable to governmental units. A summary of the significant accounting policies follows:

A. REPORTING ENTITY

This report includes all of the funds of the City of Franklin. The reporting entity for the City consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. A legally separate organization should be reported as a component unit if the elected officials of the primary government are financially accountable to the organization. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government. A legally separate, tax exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) the economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. Blended component units, although legally separate entities, are, in substance, part of the government's operations and are reported with similar funds of the primary government. Discretely presented component units would be reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City. This report does not contain any discretely presented component units.

Blended Component Unit

The Community Development Authority (Authority) was created by the City in 1992 to serve as a financing vehicle for certain Tax Incremental Districts (TID) development within the City. The Authority is governed by a seven member board appointed by the Mayor and confirmed by the Common Council. Although it is legally separate from the City, the Authority is reported as if it were part of the primary government because its sole purpose is to finance and manage certain TID development projects for the benefit of the City. The Authority's operations are included in the governmental activities of the government-wide financial statements and in a TID capital projects fund. The Authority follows accounting policies of the City.

CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-Wide Financial Statements

The statement of net position (Exhibit A) and statement of activities (Exhibit B) display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenue and other non-exchange revenue. Business-type activities are financed in whole or in part by fees charged to external parties for goods and services provided.

The statement of activities demonstrates the degree that direct expenses of a given segment or function are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. The City does not allocate all indirect expenses to functions in the statement of activities.

Program revenue includes 1) charges to customers or applicants, who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenue are reported as general revenue. Internally dedicated resources are reported as general revenue rather than as program revenue.

Fund Financial Statements

Financial statements of the reporting entity are organized into funds with a fund considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows, liabilities, deferred inflows, net position/fund equity, revenue and expenditures/expenses.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds with the latter being excluded from government-wide financial statements. Major individual government funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Funds are organized as major funds or nonmajor funds within the governmental and enterprise fund statements. An emphasis is placed on major funds within the governmental and enterprise categories.

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2015**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (continued)

Fund Financial Statements (continued)

A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets and deferred outflows, liabilities and deferred inflows, revenue, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type.
- b. The same element of the individual governmental fund or enterprise fund that met the 10 percent test is at least 5 percent of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or enterprise fund that the City believes is important to financial statement users may be reported as a major fund.

Major Governmental Funds

General Fund – accounts for the City’s primary operating activities. It is used to account for all financial resources except those required to be accounted for in another fund.

Debt Service Fund – accounts for resource accumulation from taxes, special assessments and other revenue along with payments made for principal and interest on long-term debt other than enterprise fund debt.

TIF Districts Fund – accounts for resource accumulation from tax increments and other revenue of the TID along with payments made for capital outlay, other expenditures, principal and interest on long-term debt obligations of the TIDs. Each TID is a sub fund of the TID Fund.

Major Enterprise Funds

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Water Utility Fund – accounts for operations of providing water services to City residents and bills for those services.

Sanitary Sewer Fund – accounts for the operations of providing sanitary sewer services for City residents and bills for those services.

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2015**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (continued)

In addition the City reports:

Nonmajor Governmental Funds

Special Revenue Funds – account for the proceeds of specific revenue sources (other than major capital projects) that are legally or policy restricted to expenditures for specified purposes. The funds include Library Operating, Library Auxiliary, Solid Waste Collection, St Martin’s Fair, Donation, Civic Celebrations and Grant.

Capital Projects Funds – account for resources accumulated to be used for the purchase of equipment, street replacement, acquisition of land and the construction of capital improvement projects. The funds include Capital Outlay, Equipment Replacement, Capital Improvement, Street Improvement, Utility Improvement and Development.

Other Fund Types

Internal Service Funds – account for the payment by the City for active employees of group health and dental charges for services and stop loss insurance charges and the billing of departments or agencies of the City on a cost-reimbursement basis for the services received.

Fiduciary Funds – account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations and/or governmental units. The fiduciary funds include a property tax fund, an other agency fund that records the agency activity for emergency government, monitoring and siting activities funded by others, an escrow fund and a post-employment benefits trust fund for retiree group health costs.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

Government-Wide Financial Statements

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenue is recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenue, expenses, gains, losses, assets, deferred inflows, liabilities and deferred outflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenue in the year that they are levied for.

Taxes receivable for the following year are recorded as receivables and deferred inflows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Receivables are recorded as revenue when services are performed.

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2015**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION
(continued)

Government-Wide Financial Statements (continued)

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's Water Utility and Sanitary Sewer fund and various other functions of the government. Elimination of these charges would distort the direct costs and program revenue reported for the various functions concerned.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recorded when it is both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers grant revenue to be available if they are collected within 150 days of the end of the current fiscal period and all other revenue to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences and pension expenditures which are recorded as a fund liability when due and payable

Property taxes are recorded the year levied as receivable and deferred inflow and are recognized as revenue the next year when services financed by the levy are provided.

Intergovernmental aids and grants are recognized as revenue in the period the City is entitled to the resources and the amounts are available. Amounts owed to the City are recorded as receivables. Amounts not available or received prior to the entitlement period are recorded as deferred inflow.

Special assessments levied for benefits to property owners for installation of sanitary sewers, water mains, roads, and other improvements are recorded as revenue when they become measurable and available. Annual installments due in future years are recorded as receivables and deferred inflows.

Revenue susceptible to accrual includes property taxes, room taxes, public charges for services and interest. Other general revenue such as permits, fines and forfeitures, licenses and miscellaneous revenue are recognized when received or when measurable and available under the criteria mentioned above.

CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION
(continued)

Government-Wide Financial Statements (continued)

Fund Financial Statements (continued)

Deferred inflows are reported on the governmental funds balance sheet. Deferred inflows arise from taxes levied in the current year that are for subsequent year's operations. For governmental fund financial statements unearned revenues arise where potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenue arises when resources are received before the City has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met or when the City has a legal claim to the resources, the liability is removed from the balance sheet and revenue is recognized.

Proprietary and fiduciary fund financial statements (other than agency funds) are reported using the economic resources measurement focus and the accrual basis of accounting. Agency fund financial statements are reported using the accrual basis of accounting and do not have a measurement focus.

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and delivering goods in connection with the proprietary fund's principal operations. The principal operating revenue of the Water and Sanitary Sewer funds are charges to customers for sales and services provided. The rates billed in the Water Utility are approved by the Public Service Commission. Sanitary sewer charges are billed at rates established by City policy based on the charges received from the Milwaukee Metropolitan Sewerage District and local operation and maintenance expenses. The principal operating revenue of the internal service fund is charges to other funds for group health coverage.

Operating expenses for proprietary funds include the cost of sales and services, administration and depreciation on capital assets. Revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

All Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could vary from those estimates.

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2015**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, LIABILITIES AND NET POSITION OR EQUITY

1. Cash and Investments

For purposes of the statement of cash flows, the City considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

The City of Franklin maintains two investment policies. The first covers all funds except fiduciary funds for retiree health purposes. The objective of this policy is to generate current income, consistent with safety and reasonable risk as defined under prudent person rules. As operating reserves, the quality, liquidity and maturity structure of the portfolio are most important. The investment policy:

- a. Requires a minimum rating at time of purchase of Aa3 by either Moody's or Standard & Poor's.
- b. Limits an issuer to 10% or less and asset classes to 35% or less of the fair value of the portfolio with the exception of U.S. Government Treasury and Agency securities that have the full faith guarantee of the U.S. Government.
- c. Specifies a minimum amount of cash equivalents be maintained, an average life of the portfolio not exceeding 6 years and no individual issue with a maturity exceeding seven years at the date of purchase to limit interest rate risk.
- d. Limits investments highly sensitive to market changes through its duration and diversification policies to limit interest rate risk.
- e. Prohibits the investment in foreign owned securities.
- f. Limits derivative investments to those with a final maturity of seven years or less.

In addition the City's investment policy restricts allowable investments to investments that follow state statutes, section 66.0603, which limits investments to:

- a. Time deposits in any credit union, bank, savings bank, trust company or loan association authorized to transact business in the state and maturing in three years or less.
- b. The Local Government Investment Pool (LGIP).
- c. Bonds or securities issued or guaranteed by the federal government.
- d. Bonds or securities of any county, city, drainage district, technical college district, village, town or school district of the State of Wisconsin. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a cultural arts district, or by the University of Wisconsin Hospitals and Clinics Authority and the Wisconsin Aerospace Authority.
- e. Any security maturing in seven years or less and having the highest or second highest rating category assigned of a nationally recognized rating agency.
- f. Securities of an open-ended management investment company or investment trust subject to various conditions and investment options.
- g. Repurchase agreements with public depositories, with certain conditions.

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2015**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, LIABILITIES AND NET POSITION OR EQUITY (continued)

1. Cash and Investments (continued)

The second investment policy is for its fiduciary fund for retiree health purposes. The policy:

- a. Requires the investment to be in a section 115 trust for retiree health purposes.
- b. Requires compliance with the “prudent person” standard.
- c. Requires asset allocation policy that considers the liability stream of benefits, the relationship to current and projected assets, the historical performance of capital markets and the perception of future economic conditions.
- d. Primary investment objectives are safety, diversification and return.
- e. Allows investment in various asset classes.
- f. Limits investment in equities after 2015 to 75% of total assets to be invested. Prior to January 1, 2016 equity investments may be up to 100% of the assets.

The City manages the various risks in its cash and investments as follows:

- a. Custodial credit risk – investments are held by a trustee or third party custodian.
 - deposits in excess of FDIC insurance limits are maintained in the State LGIP or secured bank balances in amounts of at least 75% of the year end cash balances.
- b. Credit risk – securities purchased need to have an AA or better investment rating.
- c. Concentration of credit risk – issuer or asset class not to exceed 10% of the market value of the portfolio with the exception of U.S. issued securities.
- d. Interest rate risk – managed by limiting the length of maturity of newly purchased investments and limits the average life of the portfolio to control risk.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost.

Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of various City Funds is allocated based on average investment balances.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw funds in total on one day’s notice. At December 31, 2015, the fair value of the City’s share of LGIP assets was substantially equal to the amount reported in these statements.

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2015**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, LIABILITIES AND NET POSITION OR EQUITY (continued)

2. Receivables

Property taxes are levied in December on the assessed value as of the prior January 1. In addition to property taxes for the municipality, taxes are collected for and remitted to the state government, county government, three local school districts, technical college district and metropolitan sewerage district. Taxes for all other governmental units billed in the current year for the succeeding year are reflected as receivables and due to other taxing units on the accompanying fiduciary funds statement of fiduciary net position.

Property tax calendar – 2015 tax roll:

Lien date and levy date	December 2015
Tax bills mailed	December 2015
Payment in full, or	January 31, 2016
First installment due	January 31, 2016
Second installment due	March 31, 2016
Third installment due	May 31, 2016
Personal property taxes in full	January 31, 2016
Final tax settlement with County	August 20, 2016
Tax deed by County – 2015	
Delinquent real estate taxes	October 2018

Accounts receivable have been shown net of an allowance for uncollectible accounts. No provision for uncollectible accounts receivable has been made for enterprise funds because of their right by law to place delinquent bills on the tax roll.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as “due to and from other funds”. Long term interfund loans are reported as “advances from and to other funds”.

Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “internal balances”.

In the general fund financial statements, advances to other funds are offset equally by nonspendable fund balance which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation. Advances in all other governmental funds are classified in fund balance based on the availability of repayments for use.

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2015**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, LIABILITIES AND NET POSITION OR EQUITY (continued)

3. Inventories and Prepaid Items

Governmental fund inventory items, except fuel inventory, are charged to expenditures when purchased. The fuel inventory is recorded at cost on a first-in first-out basis using the consumption method of accounting. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased. Year end inventory was not significant.

Proprietary fund inventories are generally used for construction and for operation and maintenance work. They are not for sale. Material and supplies on hand at year end are considered immaterial.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

4. Restricted Assets

Mandatory segregation of assets are presented as restricted assets. Such segregation is required by agreements with external parties. Current liabilities payable from restricted assets are so classified. The Pension Asset has been reported as restricted. This asset represents funds held by the Plan Trust, which can only be used to settle Plan obligations. The excess of restricted assets over current liabilities will be used first for equipment replacement. The remainder, if generated from earnings, is shown as restricted net position.

5. Pensions

For purposes of measuring the net pension liabilities (assets), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the Wisconsin Retirement System (WRS) and the City of Franklin Defined Benefit Retirement Income Plan (DPW) and additions to/deductions from WRS and DPW's fiduciary net position have been determined on the same basis as they are reported by WRS and DPW. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2015**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, LIABILITIES AND NET POSITION OR EQUITY (continued)

6. Capital Assets

Government-Wide Statements

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$1,000 for general capital assets and \$10,000 for infrastructure assets with estimated useful lives of two years or more. Capital assets are recorded at historical cost or estimated historical cost if actual amounts are not available. Donated capital assets are recorded at estimated fair value at the date of donation. Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant.

For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest from temporary investment of borrowed fund proceeds. \$24,601 of net interest was capitalized during the current year. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to the applicable function.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of useful lives by asset type follows:

Buildings and improvements	10-50 Years
Machinery and equipment	2-30 Years
Water and sewer systems	20-100 Years
Infrastructure	30-90 Years

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same in the government-wide statements.

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2015**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, LIABILITIES AND NET POSITION OR EQUITY (continued)

7. Deferred Inflows/Outflows of Resources

Gains or losses on prior refundings are amortized over the remaining life of the old debt, or the life of the new debt, whichever is shorter. The balance at year end for gains/losses is shown as an increase or decrease in the deferred outflow of resources section of the statement of net position.

In governmental funds, property taxes receivable, special assessments and interest revenue not yet due are not recognized as revenue in the current period. For the government-wide and proprietary fund type financial statements, special assessments and interest revenue are recognized as revenue in the current period. This leaves property tax receivable as a deferred inflow of resources in the statement of net position.

Certain items affect the net pension asset(s)/liability(s) are amortized over the period determined to be affected by the change. The balance at year end of these items is reported as deferred outflows of resources or deferred inflows of resources section of the statement of net position.

8. Compensated Absences

Under terms of employment, employees may earn compensatory time and are granted sick leave, severance pay and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements. All vested compensatory time, severance pay and vacation pay are accrued when incurred in the government-wide, proprietary and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured. For example a liability, as a result of employee resignations or retirements are payable with expendable available resources.

Payments for vested compensatory time, severance pay and vacation pay will be made at rates in effect when the benefits are used. Accumulated vested compensatory time, severance pay and vacation pay liabilities are determined on the basis of current salary rates and include salary related payments. Vacation and compensatory time are used on a first-in, first-out basis. Accordingly all accrued amounts are considered to be due within one year. Severance due within one year is estimated based on employee age and expected retirement.

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2015**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, LIABILITIES AND NET POSITION OR EQUITY (continued)

9. Long-term Obligations/Conduit Debt

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist of notes and bonds payable and accrued compensated absences.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debt (plus any premium) is reported as other financing sources and payments of principal and interest are reported as expenditures. The proprietary fund accounting is the same as it is in the government-wide statements.

The City has approved issuance of industrial development revenue bonds (IDRB) for the benefit of private business enterprises. IDRB's are secured by mortgages or revenue agreements on associated projects of the business enterprises. The IDRB's do not constitute indebtedness of the City. Accordingly, the bonds are not reported as liabilities in the financial statements.

10. Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the government funds. If they are not to be liquidated with expendable available financial resources, no liability is recognized in governmental fund financial statements. The related expenditure is recognized when the liability is liquidated. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred. There were no significant claims or judgments at year end.

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2015**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, LIABILITIES AND NET POSITION OR EQUITY (continued)

11. Equity Classifications

Government-Wide Statements

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – Consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position. Unspent related debt proceeds are excluded from the calculation of net investment in capital assets.
- b. Restricted net position – Consists of restricted assets reduced by liabilities related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported.
- c. Unrestricted net position – The net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources, as they are needed.

Fund Statements

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitation on the use of resources through either a commitment (restricted fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest decision-making authority. The governing council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, committed fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2015**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, LIABILITIES AND NET POSITION OR EQUITY (continued)

12. Equity Classifications (continued)

Fund Statements (continued)

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The governing council (Common Council) has by resolution authorized the Director of Finance & Treasurer to assign fund balance (Resolution 2014-7025). The Common Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, as additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

When committed, assigned and unassigned resources are available for use, it is the City's policy to use committed resources first, then assigned resources and then unassigned resources, as they are needed.

13. Comparative Data

The basic financial statements include comparative data for the prior year for individual enterprise funds in the fund financial statements in order to provide an understanding of the changes in financial position and operations of these funds. This comparative data is not at the level of detail required for a presentation in conformity with general accepted accounting principles. Accordingly, such information should be read in conjunction with the City's financial statements for the year ended December 31, 2014 from which the data was derived. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note 1 C with the exception of encumbrances, transfers from the General Fund to Special Revenue Funds and tax equivalent from the Water Utility. Actual (budgetary basis) expenditures presented reflect actual (GAAP) expenditures adjusted for expenditures budgeted under the prior period and encumbrances expected to be liquidated under the current period budget. Actual (budgetary basis) revenue presents the tax equivalent from the Water Utility as tax revenue while GAAP basis statements present this item as a transfer.

A budget has been adopted for the General, Debt Service, Library, Solid Waste, Capital Outlay, Equipment Replacement, Capital Improvement, Street Improvement, Development, Sanitary Sewer and Water Utility funds. Budgets have not been formally adopted for other funds.

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2015**

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)

A. BUDGETARY INFORMATION (continued)

The budget amounts presented include any amendments made during the year. The City may authorize transfers of budget amounts within departments. Transfers between departments and changes to the overall budget must be approved by a two-thirds vote of the Common Council. Supplemental appropriations during the year were not significant. Appropriations lapse at the end of the year unless specifically carried over. Carryovers to the following year were not material. Budgets are adopted for personnel and non-personnel expenditures at the function level.

B. LIMITATIONS ON THE CITY'S TAX LEVY

As part of Wisconsin's Act 40 (2011), legislation was passed that limited the City's future tax levies. Generally, the City is limited to its prior tax levy dollar amount (excluding TIF districts), increased by the greater of the percentage change in the City's equalized value due to new construction, or 0%. Limited amounts of unused tax levy may be carried forward into the following year. Changes in debt service from one year to the next are generally exempt from this limit.

C. EXCESS EXPENDITURES OVER APPROPRIATIONS

The City controls expenditures at the function level (e.g. public safety). For the year ended December 31, 2015 the General Fund did not exceed budgeted expenditures, except for Alderman personnel services.

NOTE 3 - DETAILED NOTES ON ALL FUNDS

A. CASH AND INVESTMENTS

The City maintains a cash and investment pool that is utilized by all funds. Each fund's portion of this pool is displayed on the statement of net position and balance sheet as cash and investments of the City. In addition, investments are separately held by several of the funds.

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings deposits and \$250,000 for demand deposits.

The City's bank accounts are also insured by the State of Wisconsin Deposit Guarantee Fund in the amount of \$400,000 per financial institution. However, although the fund had reserves available at December 31, 2015, the future availability of resources to cover the losses cannot be projected because provisions of the 1985 Wisconsin Act 35 provided that the amount in the fund will be used to repay public depositors for losses until the appropriation is exhausted at which time the fund is abolished.

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2015**

NOTE 3 - DETAILED NOTES ON ALL FUNDS (continued)

A. CASH AND INVESTMENTS (continued)

The City maintains a collateral arrangement with its main bank to provide collateralization in excess of deposits maintained at the bank. The collateral is maintained in the form of a letter of credit from the Federal Home Loan Bank of Cincinnati in the amount of \$20,000,000. Cash and investments as shown on the December 31, 2015 City of Franklin Statement of Net position are subject to the following risks:

	Carrying Value	Bank & Investment Balances	Risks
Local Government Investment Pool	\$ 233,082	\$ 233,082	Credit and interest rate
Money market funds	204,884	204,884	Credit and interest rate
Certificates of deposit	1,470,000	1,470,000	Custodial
U.S. treasuries	2,004,062	2,004,062	Interest rate
U.S. agencies	7,055,737	7,055,737	Credit, interest rate and concentration of credit
Municipal Bonds	1,041,060	1,041,060	Credit, interest rate
Corporate notes	<u>6,540,859</u>	<u>6,540,859</u>	Credit, interest rate and concentration of credit
Total fixed income investments	18,549,684	18,549,684	
Equity funds	3,475,966	3,475,966	Custodial
Fixed income funds	1,045,253	1,045,253	Custodial and credit
Cash and demand deposits	59,781,402	55,526,385	Custodial
Total	<u>\$ 82,852,305</u>	<u>\$ 78,597,288</u>	

Reconciliation to the financial statements is shown below:

Per Statement of Net Position

Primary Government:

Unrestricted cash and investments

\$ 24,982,829

Restricted cash and investments

356,106

Per Statement of Fiduciary Net Position - Agency Funds

52,804,482

- Post Employment Benefits Trust

4,708,888

\$ 82,852,305

Custodial Credit Risk For deposits - Custodial credit risk is the risk that in the event of a financial institution failure, the City's deposits may not be returned to the City. As of December 31, 2015, none of the City's total bank balances of \$ 55,526,385 were uninsured and uncollateralized and therefore exposed to custodial credit risk. For Investments - Custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities in the possession of an outside party. All of the City's investments except the Local Government Investment Pool have a tri-party relationship with the investments held by a party independent of the party managing the investment.

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2015**

NOTE 3 - DETAILED NOTES ON ALL FUNDS (continued)

A. CASH AND INVESTMENTS (continued)

Credit Risk Credit risk is the risk that an issuer or other counterparty will not fulfill its obligation. The City's policy requires a minimum credit rating of Aa3 at time of purchase. The City's fixed income investments subject to credit risk include agencies securities, corporate asset backed securities, corporate bonds, government repurchase agreements and money market funds and were rated by Moody's Investor Service.

As of December 31, 2015, 89.7% of the fixed income investments were in rated fixed income investments and subject to credit risk. The ratings as a percentage of the total investment portfolio were as follows: Aaa at 48.1%, Aa1 at 8.8%, Aa2 at 10.9%, and Aa3 at 4.3%. The portfolio makeup of fixed income investments was corporate securities at 35.3%, treasury and agency securities at 48.8%, Municipal Bonds at 5.6%, certificates of deposit at 7.9%, Local Government Investment Pool at 1.3% and money market funds at 1.1%. The Local Government Investment Pool and money market funds are not rated but are subject to credit risk. The certificates of deposit are not rated and are not subject to credit risk. Equities and fixed income mutual funds held in trust at 19.6% make up the remainder of the investments and are not rated.

Concentration of Credit Risk Concentration of credit risk is the risk of loss attributed to a large investment position in a single issuer. As of the December 31, 2015 no issue other than U.S. Treasury and Agency securities that have the full faith guarantee of the U.S. government and the Local Government Investment Pool had a position of greater than ten percent of the portfolio.

Interest Rate Risk Interest rate risk is the risk that rising interest rates will have an adverse impact on the fair value of the investments in the portfolio. The longer the maturities in the portfolio the greater the risk of loss is in portfolio value.

The portfolio policy limits this risk by limiting the length of permitted investments and limits the purchase of investments highly sensitive to market changes.

As of December 31, 2015, the City's investments exposed to interest rate risk were as follows:

Investment type (in thousands)	Fair Value	Investment Maturity in years		
		Less than 1	1 - 5	5 - 7
Money market funds	\$ 204,884	\$ 204,884	\$ -	\$ -
Certificates of deposit	1,470,000	1,225,000	245,000	-
U.S. treasuries and agencies	9,059,799	4,000,834	5,058,965	-
Municipal bonds	1,041,060	-	1,041,060	-
Corporate notes	6,540,859	1,998,075	4,542,784	-
Local government investment pool	233,082	233,082	-	-
Total	\$ 18,549,684	\$ 7,661,875	\$ 10,887,809	\$ -

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2015**

NOTE 3 - DETAILED NOTES ON ALL FUNDS (continued)

B. RECEIVABLES

Receivables consist of accounts, taxes, notes and special assessments from citizens and others. Receivables are reported net of uncollectible amounts. The reserve for bad debts, principally for personal property taxes and ambulance revenue, was \$ 80,106 at December 31, 2015. Other than the special assessment receivables, all other receivables are expected to be collected within one year.

C. DUE FROM OTHER GOVERNMENTS

In 2011, the City entered into an intergovernmental cooperation agreement with another government where the other government will reimburse the City for substantially all of the debt service costs resulting from the City taking on a State Clean Water Fund Loan. Those reimbursements will start in 2015 and will continue over the life of the loan, ending in 2031. This is presented as Due from other governments in the statement Net Position.

D. RESTRICTED ASSETS

In accordance with the City's ordinance enacting a sewer user charge system and regulations of the Department of Natural Resources, the Sanitary Sewer Fund – an Enterprise Fund, incorporated an equipment replacement charge as a component of the rate structure to be used for significant mechanical equipment replacement as required by the Wisconsin Department of Natural Resources. Revenue generated from this charge is accumulated and used for replacement of certain equipment. The balance in this account at December 31, 2015 is \$356,106.

The Pension Asset has been reported as restricted. This asset represents funds held by the Plan Trust, which can only be used to settle Plan obligations. The balance of the Pension Asset related to the Wisconsin Retirement System (WRS) at December 31, 2015 is \$2,066,135.

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2015**

NOTE 3 - DETAILED NOTES ON ALL FUNDS (continued)

E. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2015 was as follows:

Governmental Activities	Beginning Balance	Additions	Dispositions	Ending Balance
Capital assets not depreciated:				
Land	\$ 24,949,631	\$ 319,060	\$ -	\$ 25,268,691
Construction in progress	423,313	1,188,207	430,617	1,180,903
Total capital assets not depreciated	<u>25,372,944</u>	<u>1,507,267</u>	<u>430,617</u>	<u>26,449,594</u>
Capital assets depreciated:				
Buildings & improvements	24,717,845	163,057	-	24,880,902
Machinery & equipment	17,514,597	1,245,775	622,380	18,137,992
Infrastructure	93,860,788	1,280,571	-	95,141,359
Total capital assets depreciated	<u>136,093,230</u>	<u>2,689,403</u>	<u>622,380</u>	<u>138,160,253</u>
Less: Accumulated depreciation for:				
Buildings & improvements	9,104,243	488,008	-	9,592,251
Machinery & equipment	10,888,324	1,039,337	601,811	11,325,850
Infrastructure	26,588,923	1,597,549	-	28,186,472
Total accumulated depreciation	<u>46,581,490</u>	<u>3,124,894</u>	<u>601,811</u>	<u>49,104,573</u>
Net capital assets depreciated	<u>89,511,740</u>	<u>(435,491)</u>	<u>20,569</u>	<u>89,055,680</u>
Governmental activities capital assets, net of accumulated depreciation	<u>\$ 114,884,684</u>	<u>\$ 1,071,776</u>	<u>\$ 451,186</u>	<u>\$ 115,505,274</u>

Depreciation expense was charged to functions as follows:

Governmental Activities	
General government	\$ 136,550
Public safety	702,123
Public works	1,934,325
Health & human services	6,096
Culture & recreation	344,062
Conservation & development	1,738
Total governmental activities depreciation expense	<u>\$ 3,124,894</u>

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2015**

NOTE 3 - DETAILED NOTES ON ALL FUNDS (continued)

E. CAPITAL ASSETS (continued)

	Beginning Balance	Additions	Dispositions	Adjustment	Ending Balance
Business-type Activities					
Capital Assets not depreciated:					
Land	\$ 521,225	\$ -	\$ -	\$ -	\$ 521,225
Construction in progress	351,610	3,668,220	3,979,346	-	40,484
Total capital assets not depreciated	<u>872,835</u>	<u>3,668,220</u>	<u>3,979,346</u>	<u>-</u>	<u>561,709</u>
Capital assets depreciated:					
Buildings & improvements	3,434,412	3,336,718	124,187	-	6,646,943
Machinery & equipment	2,694,341	158,387	261,153	2,705,403	5,296,978
Infrastructure	110,447,988	847,540	875,245	(1,470,476)	108,949,807
Total capital assets depreciated	<u>116,576,741</u>	<u>4,342,645</u>	<u>1,260,585</u>	<u>1,234,927</u>	<u>120,893,728</u>
Less: Accumulated depreciation for:					
Buildings & improvements	1,239,632	168,244	106,382	-	1,301,494
Machinery & equipment	1,633,171	267,498	225,818	1,824,833	3,499,684
Infrastructure	26,009,516	1,464,248	40,036	(863,495)	26,570,233
Total accumulated depreciation	<u>28,882,319</u>	<u>1,899,990</u>	<u>372,236</u>	<u>961,338</u>	<u>31,371,411</u>
Net capital assets depreciated	<u>87,694,422</u>	<u>2,442,655</u>	<u>888,349</u>	<u>273,589</u>	<u>89,522,317</u>
Business-type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 88,567,257</u>	<u>\$ 6,110,875</u>	<u>\$ 4,867,695</u>	<u>\$ 273,589</u>	<u>\$ 90,084,026</u>

Depreciation expense was charged to functions as follows.

Business-Type Activities:

Water	\$ 1,207,081
Sewer	<u>692,909</u>
	<u>\$ 1,899,990</u>

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2015**

NOTE 3 - DETAILED NOTES ON ALL FUNDS (continued)

F. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund balances result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made. In all cases amounts are repaid within one year.

For the statement of net position, interfund balances owed within the governmental activities or business – type activities are netted and eliminated.

The interfund receivables and payables at December 31, 2015 are as follows:

Payable Fund	Receivable Fund				Total
	General	Nonmajor	Water Utility	Sanitary Sewer	
General	\$ -	\$ -	\$ 57,727	\$ 34,082	\$ 91,809
Non-Major	11,552	-	-	-	11,552
Water Utility	-	131,198	-	55,137	186,335
Sanitary Sewer	59,832	-	50,083	-	109,915
Totals	\$ 71,384	\$ 131,198	\$ 107,810	\$ 89,219	\$ 399,611

The City of Franklin provides short and long term advances to its TIF Districts. The amounts advanced are either from proceeds of a borrowing or from fund reserves. They are used to enable the TIF Districts to carry out approved project plans and may be replaced in the future by direct borrowing. The TIF Districts interest rate is based upon the interest rate incurred by the Debt Service Fund on its borrowings or the reinvestment rate available to other funds. The advances will be repaid as the proportionate principal amounts in the Debt Service Fund are due or when TIF District resources are available.

Payable Fund	Receivable Fund			Total	Due within one year
	General	Internal Service	Capital Projects Development		
TIF Districts	\$ -	\$ 1,088,000	\$ 850,000	\$ 1,938,000	\$ 1,388,000
Sanitary Sewer	2,198,616	-	-	2,198,616	-
	\$ 2,198,616	\$ 1,088,000	\$ 850,000	\$ 4,136,616	\$ 1,388,000

Generally, transfers are used to (1) move revenue from the funds that collect them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the Debt Service Fund and (3) use unrestricted revenue collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2015**

NOTE 3 - DETAILED NOTES ON ALL FUNDS (continued)

F. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (continued)

Transfers as presented on the fund financial statements during the year ended December 31, 2015 were as follows:

	Transfers Out			
	General Fund	Nonmajor Governmental Funds	Enterprise Funds	Fund Totals
Transfers In				
General Fund	\$ -	\$ -	\$ 1,044,459	\$ 1,044,459
Debt Service Fund	-	182,494	-	182,494
Nonmajor Governmental Funds	574,000	607,300	-	1,181,300
Total	<u>\$ 574,000</u>	<u>\$ 789,794</u>	<u>\$ 1,044,459</u>	<u>\$ 2,408,253</u>

A reconciliation of fund statement transfers to government wide transfers for the year ended December 31, 2015 is as follows:

	<u>Governmental Funds</u>	<u>Enterprise Funds</u>
Transfers In per fund statements	\$ 2,408,253	\$ -
Transfers Out per fund statements	(1,363,794)	(1,044,459)
Government Wide Transfers	<u>\$ 1,044,459</u>	<u>\$ (1,044,459)</u>

G. DEFERRED INFLOWS AND DEFERRED OUTFLOWS

Governmental funds report deferred inflows in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also report deferred inflows in connection with resources that have been received, but not yet earned. Property taxes receivable for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of deferred inflows reported in the financial statements were as follows:

	<u>Unavailable</u>	<u>Unearned</u>	<u>Total</u>
Governmental funds:			
Property taxes receivable	\$ -	\$ 24,809,701	\$ 24,809,701
Special assessments not yet due	1,204,211	-	1,204,211
Total deferred inflows			
for governmental funds	<u>\$ 1,204,211</u>	<u>\$ 24,809,701</u>	<u>\$ 26,013,912</u>

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2015**

NOTE 3 - DETAILED NOTES ON ALL FUNDS (continued)

H. LONG TERM OBLIGATIONS

General Obligation Debt

Long-term liabilities for the year ended December 31, 2015 were as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Amounts due within one year
Governmental Activities					
General obligation debt	\$ 12,935,000	\$ -	\$ 615,000	\$ 12,320,000	\$ 1,950,000
Premium	252,273	-	48,371	203,902	-
Sub-total	<u>13,187,273</u>	<u>-</u>	<u>663,371</u>	<u>12,523,902</u>	<u>1,950,000</u>
Compensated absences					
Accrued vacation pay	427,655	1,002,753	990,132	440,276	440,276
Accrued severance pay	1,188,583	221,672	91,925	1,318,330	68,896
Accrued compensatory time	208,096	240,140	226,022	222,214	222,214
Total compensated absences	<u>1,824,334</u>	<u>1,464,565</u>	<u>1,308,079</u>	<u>1,980,820</u>	<u>731,386</u>
Governmental activities					
Long-term liabilities	<u>\$ 15,011,607</u>	<u>\$ 1,464,565</u>	<u>\$ 1,971,450</u>	<u>\$ 14,504,722</u>	<u>\$ 2,681,386</u>

All general obligation notes and bonds payable are backed by the full faith and credit of the City. The notes and bonds will be retired by future property tax levies, special assessment collections and designated landfill revenue.

The governmental activities compensated absences primarily accrue to and are paid from the City's General Fund.

	Beginning Balance	Additions	Deletions	Ending Balance	Amounts due within one year
Business-type Activities					
General obligation debt	\$ 24,776,522	\$ -	\$ 1,184,245	\$ 23,592,277	\$ 1,212,048
Discount	(13,507)	-	(826)	(12,681)	-
Subtotal	<u>24,763,015</u>	<u>-</u>	<u>1,183,419</u>	<u>23,579,596</u>	<u>1,212,048</u>
Compensated absences					
Accrued vacation pay	44,159	39,900	41,880	42,179	42,178
Accrued severance pay	61,769	8,991	-	70,760	-
Accrued compensatory time	16,691	9,845	5,017	21,519	21,519
Business-type activities					
Long-term liabilities	<u>\$ 24,885,634</u>	<u>\$ 58,736</u>	<u>\$ 1,230,316</u>	<u>\$ 23,714,054</u>	<u>\$ 1,275,745</u>

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2015**

NOTE 3 - DETAILED NOTES ON ALL FUNDS (continued)

H. LONG TERM OBLIGATIONS (continued)

Details of general obligation notes and bonds payable as of December 31, 2015 are as follows:

Type	Date of Issue	Interest Rate	Principal Payable	Interest Payable	Original Amount	Balance Outstanding 12/31
General obligation promissory notes	12/18/14	2.0-2.5	3/1/15-24	3/1 & 9/1	\$ 5,320,000	\$ 5,225,000 ¹
General obligation refunding bonds	1/3/07	3.80	3/ 1/08-21	3/1 & 9/1	9,925,000	<u>7,095,000</u>
Total Governmental Activities Debt						<u>\$ 12,320,000</u>
Business-type Activity Debt						
General obligation Clean Water Fund Loan	1/25/12	2.462	5/1/14-31	5/1 & 11/1	27,562,754	\$ 22,357,277 ²
	12/18/14	2.0-3.125	3/1/15-34	3/1 & 9/1	1,290,000	<u>1,235,000</u> ³
Total Business-type Activities Debt						<u>\$ 23,592,277</u>

¹ Issued 63% for capital TIF purposes and 33% for general capital purposes, ² Issued for a sewer extension on W Ryan Rd, ³ Issued for water building purposes.

Annual principal and interest payments to maturity on general obligation notes and bonds payable are as follows:

Annual principal and interest payments to maturity on general obligation notes and bonds payable are as follows:

Year Ending 31-Dec	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2016	\$ 1,950,000	\$ 377,598	\$ 1,212,048	\$ 570,330
2017	3,010,000	297,388	1,240,535	540,393
2018	2,320,000	207,958	1,269,723	509,746
2019	1,365,000	143,987	1,299,629	478,371
2020	1,320,000	95,852	1,330,272	446,251
2021-25	2,355,000	82,846	7,168,066	1,713,235
2026-30	-	-	8,095,547	766,529
2031-35	-	-	1,976,457	40,202
Total	<u>\$ 12,320,000</u>	<u>\$ 1,205,629</u>	<u>\$ 23,592,277</u>	<u>\$ 5,065,057</u>

The City's statutory debt limit and margin of indebtedness at December 31, 2015 are \$182,459,295 and \$ 146,547,018, respectively. By City debt policy, the debt limit and margin of indebtedness limit are \$ 72,983,718 and \$ 37,071,441, respectively.

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2015**

NOTE 3 - DETAILED NOTES ON ALL FUNDS (continued)

H. LONG TERM OBLIGATIONS (continued)

Conduit Debt Obligations

Eleven series of Industrial Revenue Bonds originally issued with an aggregate principal amount of \$102,992,000 are outstanding with a December 31, 2015 balance of \$93,157,637.

I. NET POSITION/FUND BALANCES

Governmental Activities

Governmental activities net position reported on the government-wide statement of net position at December 31, 2015 include the following:

Net investment in capital assets	
Land	\$ 25,268,691
Construction in process	1,180,903
Other capital assets, net of accumulated depreciation	89,055,680
Less: related long term debt outstanding	<u>(8,320,671)</u>
Net investment in capital assets	<u>107,184,603</u>
Restricted for:	
Debt service	482,773
Utility improvement	1,999,759
Development	3,851,653
Library	524,137
Solid waste	260,944
Recreation services	47,656
Health	160,003
Donations	<u>133,678</u>
Total restricted	<u>7,460,603</u>
Unrestricted	<u>16,401,941</u>
 Total governmental activities net position	 <u><u>\$ 131,047,147</u></u>

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2015**

NOTE 3 - DETAILED NOTES ON ALL FUNDS (continued)

I. NET POSITION/FUND BALANCES (continued)

Governmental Fund Balances

Reported on the fund financial statements at December 31, 2015 include the following:

General Fund - advances	\$ 2,198,616
General Fund - prepaid items and inventory	41,186
Library Fund - prepaid items	<u>730</u>
Total nonspendable	<u><u>\$ 2,281,718</u></u>
Restricted fund balances	
Debt Service	\$ 507,283
Utility Improvements	907,003
Development	3,851,653
TIF Districts	996,460
Donations	133,678
Health services	160,003
Library services	523,237
Solid Waste	260,944
Recreational services	<u>47,656</u>
Total restricted	<u><u>\$ 7,387,917</u></u>
Assigned Fund balances:	
General Fund	\$ 147,121
Capital Projects:	
Capital Outlay	666,161
Equipment Replacement	2,304,643
Capital Improvement	1,689,835
Street Improvement	<u>245,955</u>
Total Assigned fund balances	<u><u>\$ 5,053,715</u></u>
Unassigned fund balances	
General Fund	\$ 6,662,986
TIF Districts - Deficit	(138,216)
St Martin's Fair - Deficit	<u>(12,711)</u>
Total Unassigned fund balances	<u><u>\$ 6,512,059</u></u>

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2015**

NOTE 3 - DETAILED NOTES ON ALL FUNDS (continued)

I. NET POSITION/FUND BALANCES (continued)

Business-type Activities

Business-type activities net position reported on the government-wide statement of net position at December 31, 2015 include the following:

Net investment in capital assets	
Land	\$ 521,225
Construction in process	40,484
Other capital assets, net of accumulated depreciation	89,522,317
Less: related long term debt outstanding, net of unspent bond proceeds	<u>(1,222,320)</u>
Net investment in capital assets	<u>88,861,706</u>
Restricted for:	
Sewer equipment replacement	<u>356,106</u>
Unrestricted	<u>2,853,728</u>
Total business-type activities net position	<u>\$ 92,071,540</u>

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2015**

NOTE 4 - OTHER INFORMATION

A. DEFINED BENEFIT PENSION PLANS

Wisconsin Retirement System

General Information about the Pension Plan

Plan Description - The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

Vesting - For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

Benefits Provided - Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and State executive participants) are entitled to receive an unreduced retirement benefit. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor.

Final average earnings is the average of the participant's three highest years' earnings. Creditable service is the creditable current and prior service expressed in years or decimal equivalents of partial years for which a participant receives earnings and makes contributions as required. The formula factor is a standard percentage based on employment category.

Employees may retire at age 55 (50 for protective occupation employees) and receive reduced benefits. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and forfeit all rights to any subsequent benefits.

The WRS also provides death and disability benefits for employees.

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2015**

NOTE 4 - OTHER INFORMATION (continued)

A. DEFINED BENEFIT PENSION PLANS (continued)

Wisconsin Retirement System (continued)

General Information about the Pension Plan (continued)

Post-Retirement Adjustments - The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the "floor") set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

Year	Core Fund Adjustment	Variable Fund Adjustment
2005	2.6%	7.0%
2006	0.8	3.0
2007	3.0	10.0
2008	6.6	0.0
2009	(2.1)	(42.0)
2010	(1.3)	22.0
2011	(1.2)	11.0
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0

Contributions - Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and Executives and Elected Officials. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$815,219 contributions from the employer.

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2015**

NOTE 4 - OTHER INFORMATION (continued)

A. DEFINED BENEFIT PENSION PLANS (continued)

Wisconsin Retirement System (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Contribution rates as of December 31, 2015 are:

Employee Category	Employee	Employer
Protective with Social Security	6.8%	9.5%

At December 31, 2015, the City reported a liability (asset) of (\$2,066,135), for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2013 rolled forward to December 31, 2014. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension liability (asset) was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2014, the City's proportion was 0.08411666%, which was a decrease of 0.0021106%, from its proportion measured as of December 31, 2013.

For the year ended December 31, 2015, the City recognized pension expense of \$931,839, which includes amounts paid to WRS, related to duty disability payments.

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2015**

NOTE 4 - OTHER INFORMATION (continued)

A. DEFINED BENEFIT PENSION PLANS (continued)

Wisconsin Retirement System (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

At December 31, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 299,525	\$ -
Changes in assumptions	-	-
Net differences between projected and actual earnings on pension plan investments	1,000,522	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	62,336	-
Employer contributions subsequent to the measurement date	803,686	-
	<u>803,686</u>	<u>-</u>
Total	<u>\$ 2,166,069</u>	<u>\$ -</u>

The \$803,686 reported as deferred outflows related to pension resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2016 for the City. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year ended December 31:</u>	Deferred Outflows of Resources	Deferred Inflows of Resources
2016	\$ 267,288	\$ -
2017	267,288	-
2018	267,288	-
2019	267,288	-
2020	267,288	-
Thereafter	25,943	-

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2015**

NOTE 4 - OTHER INFORMATION (continued)

A. DEFINED BENEFIT PENSION PLANS (continued)

Wisconsin Retirement System (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

Actuarial Assumption - The total pension liability in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2013
Measurement Date of Net Pension Liability (Asset):	December 31, 2014
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Salary Increases	
Inflation:	3.2%
Seniority/Merit:	0.2% - 5.8%
Mortality:	Wisconsin 2012 Mortality Table
Post-retirement Adjustments*:	2.1%

* No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 2.1% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.

Actuarial assumptions are based upon an experience study conducted in 2012 using experience from 2009 – 2011. The total pension liability for December 31, 2014 is based upon a roll-forward of the liability calculated from the December 31, 2013 actuarial valuation.

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2015**

NOTE 4 - OTHER INFORMATION (continued)

A. DEFINED BENEFIT PENSION PLANS (continued)

Wisconsin Retirement System (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

Long-term Expected Return on Plan Assets - The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Long-Term Real Rate of Return	Target Allocation
US Equities	5.3%	21.0%
International Equities	5.7	23.0
Fixed Income	1.7	36.0
Inflation Sensitive Assets	2.3	20.0
Real Estate	5.2	7.0
Private Equity/Debt	0.9	7.0
Multi-Asset	3.9	6.0
Cash	0.9	(20.0)

Single Discount Rate - A single discount rate of 7.20% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long term bond rate of 3.56%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2015**

NOTE 4 - OTHER INFORMATION (continued)

A. DEFINED BENEFIT PENSION PLANS (continued)

Wisconsin Retirement System (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

Sensitivity of the City's Proportionate Share of the Net Pension Liability (Asset) - The following presents the City's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.20 percent, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	1% Decrease to Discount Rate (6.20%)	Current Discount Rate (7.20%)	1% Increase to Discount Rate (8.20%)
City's proportionate share of the net pension liability (asset)	\$ 5,828,923	\$ (2,066,135)	\$ (8,301,333)

Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <http://legis.wisconsin.gov/lab/> and reference report number 15-11.

Payables to the pension plan - The City reported payables to the WRS of \$125,268 as of December 31, 2015, of which \$77,759 was the City's share.

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2015**

NOTE 4 - OTHER INFORMATION (continued)

A. DEFINED BENEFIT PENSION PLANS (continued)

PUBLIC WORKS EMPLOYEES PENSION PLAN

General Information about the Pension Plan

Plan Description - The City is also a participant in the City of Franklin Public Works Employees' Pension Plan, a single employer defined benefit pension plan covering eligible public works employees. The assets of this Plan are administered by Principal Life Insurance Company. An annual financial report may be obtained by writing to the plan administrator at Principal Financial Group, P.O. Box 9693, Des Moines, IA 50306-9396.

Vesting – Participants with five years of credible service are 50% vested in the plan. Upon reaching 10 years of credible service participants are fully vested in the plan.

Benefits provided – The City of Franklin Public Works Employees' Pension Plan provides retirement benefits to former bargaining employees of the City that are not covered under Wisconsin State Pension Plan (Wisconsin Retirement System), or who are regular part-time employees as defined by Civil Service and who have a minimum of 6 months of service. Employees who retire at or after age 60 are entitled to receive an unreduced retirement benefit. The factors influencing the benefit are: (1) average compensation at retirement, (2) years of creditable service, and (3) a formula factor.

Average compensation at retirement is the average of the participant's three highest consecutive years' earnings out of the ten latest years prior to retirement. Creditable service is the creditable current and prior service expressed in years or fractional partial years for which a participant receives earnings. The formula factor is a standard percentage based on the plan provisions.

Employees may retire at age 55, with a minimum of 10 completed years of service and receive reduced benefits. Employees terminating covered employment before becoming eligible for a retirement benefit may receive either normal retirement benefits at normal retirement date, or a lump-sum cash payment of participant's vested accumulations.

The plan also provides death and disability benefits for employees.

Participating employees - Membership in the plan as of date of study consisted of the following classes of participants:

Active employees	32
Terminated vested participants	5
Disabled participants	-
Retirees	17
Total	<u>54</u>

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2015**

NOTE 4 - OTHER INFORMATION (continued)

A. DEFINED BENEFIT PENSION PLANS (continued)

PUBLIC WORKS EMPLOYEES PENSION PLAN (continued)

General Information about the Pension Plan (continued)

Contributions - Contribution requirements are established through action of the City Council and may be amended only through city ordinance. Employees make a non-elective and non-discretionary pension contribution that is equal to 8.2% of their payroll. The City contributes all remaining amounts necessary to fund the pension plan. During the reporting period, contributions of \$293,632 were made by the City to the plan.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2015, the City reported a liability (asset) of \$1,111,690 for its net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2014. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date.

At December 31, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Outflows of Resources</u>	<u>Inflows of Resources</u>
Differences between expected and actual experience	\$ 410,447	\$ -
Changes in assumptions	166,084	-
Net differences between projected and actual earnings on pension plan investments	97,813	-
Employer contributions subsequent to measurement date	<u>167,954</u>	<u>-</u>
Total	<u>\$ 842,298</u>	<u>\$ -</u>

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2015**

NOTE 4 - OTHER INFORMATION (continued)

A. DEFINED BENEFIT PENSION PLANS (continued)

PUBLIC WORKS EMPLOYEES PENSION PLAN (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

The \$167,955 reported as deferred outflows related to pension resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ended December 31:</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2016	\$ 188,708	\$ -
2017	188,708	-
2018	188,708	-
2019	108,220	-
2020	-	-
Thereafter	-	-

Actuarial assumptions - The pension liability in the December 31, 2014 actuarial valuation was determined use the following actuarial assumptions, applied to all periods in the measurement:

Actuarial Valuation Date:	December 31, 2014
Measurement Date of Net Pension Liability (Asset):	December 31, 2014
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Market Value
Long-Term Expected Rate of Return:	7.3%
Discount Rate:	7.3%
Salary Increases	
Inflation:	2.3%
Seniority/Merit:	3.0%
Mortality:	2014 IRS Prescribed Mortality - Optioanl Combined Table for Small Plans

Actuarial assumptions are based upon an experience study conducted in 2014 using historical experience. The total pension liability for December 31, 2014 is based upon the liability calculated from the December 31, 2014 actuarial valuation.

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2015**

NOTE 4 - OTHER INFORMATION (continued)

A. DEFINED BENEFIT PENSION PLANS (continued)

PUBLIC WORKS EMPLOYEES PENSION PLAN (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

Long-term Expected Return on Plan Assets - The long-term expected rate of return on pension plan investments was determined using the weighted average rate based on the target asset allocation and the Long-Term Capital Market Assumptions. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Real Rate of Return</u>	<u>Target Allocation</u>
US Equity - Large Cap	8.8%	38.8%
US Equity - Mid Cap	9.1%	4.9%
US Equity - Small Cap	9.6%	4.8%
Non-US Equity	9.2%	12.4%
REITs	8.4%	0.0%
Core Bonds	4.3%	35.1%
High Yield	6.3%	4.0%

Discount rate - A discount rate of 7.25% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.25% and a long term bond rate of 7.25%. The projection of cash flows used to determine this discount rate assumed that plan member contributions will be made at the current contribution rate and that the City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2015**

NOTE 4 - OTHER INFORMATION (continued)

A. DEFINED BENEFIT PENSION PLANS (continued)

PUBLIC WORKS EMPLOYEES PENSION PLAN (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

Sensitivity of the net pension liability to changes in the discount rate – The following presents the City’s net pension liability (asset) calculated using the discount rate of 7.25%, as well as what the City’s net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease to Discount Rate (6.25%)	Current Discount Rate (7.25%)	1% Increase to Discount Rate (8.25%)
City's net pension liability (asset)	\$ 2,055,117	\$ 1,111,690	\$ 305,487

For the year ended December 31, 2015, the City recognized pension expense of \$323,200.

B. DEFINED CONTRIBUTION PLAN

Based on City ordinances all eligible City of Franklin non-protective employees (except public works employees) participate in the City of Franklin Defined Contribution Plan (the “Plan”). The Plan assets are administered by the Principal Life Insurance Company.

Employees after completing six months of service with the City are eligible to participate. The Plan requires the City to make periodic contributions to each participant's account equal to 10% of such participant's annual compensation. Employees are required to make contributions of 5% of wages. A participant's accrued benefit for City contributions is 100% vested and non-forfeitable upon death, normal retirement, early retirement or permanent and total disability as defined in the Plan. If employment is terminated for any other reason, each participant's accrued benefit vests at various percentages, based on years of service. During 2015, total contributions of \$396,948 or 10% of covered payroll were made. The City contributed \$198,448 and employees \$198,500. The City may make amendments to the Plan.

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2015**

NOTE 4 - OTHER INFORMATION (continued)

C. POST EMPLOYMENT HEALTH CARE BENEFITS

The City of Franklin administers a single employer defined benefit post employment benefit plan through a trust. The City of Franklin Post Employment Benefits Trust is accounted for on the accrual basis of accounting and presented as a fiduciary fund. Separate financial statements are not prepared for the trust. Retiree and City contributions are recognized in the period in which the contributions are due.

City of Franklin eligible full time employees meeting minimum age and service requirements may receive group health care benefits at a reduced cost during the period from their normal retirement date until they reach age 65. This results in another post employment benefit (OPEB) obligation for those groups. These groups commonly have higher medical costs than anticipated in the blended premium rates. That differential is referred to as an implicit rate subsidy.

Contribution requirements are established by either City ordinance or collective bargaining and may be amended only by the groups establishing the requirements. The City's periodic contribution is determined and fixed at the time of retirement. The retiree pays the balance of the periodic blended premium. The eligibility for the benefit follows:

<u>Employee Group</u>	<u>#</u>	<u>City Amount</u>	<u>Age</u>	<u>Years Service</u>
Non-represented	34	75% of Premium at Retirement	62	20
Police	72	75% of Premium at Retirement	53	15
Dispatch	14	75% of 2005 Premium	62	20
Fire	54	75% of Premium at Retirement	53	20
DPW	28	75% of Premium at Retirement	60	15

CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE 4 - OTHER INFORMATION (continued)

C. POST EMPLOYMENT HEALTH CARE BENEFITS (continued)

The City's annual other post employment benefit (OPEB) expense is calculated based upon the annual required contribution (ARC) of the City. An actuarial calculation by an actuary was used to calculate the ARC and related information using the measurement method required by GASB Statement No. 45 for employers with 200 or more total plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities over a closed period of 30 years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the trust and changes in the City's net OPEB obligation for retiree health benefits:

Annual required contribution	\$	324,393
Interest on net OPEB obligation		-
Adjustment to annual required contribution		-
Annual OPEB expense		324,393
Contributions made		(475,451)
Increase in net OPEB obligation (asset)		(151,058)
Net OPEB obligation (asset) - beginning of year		-
Net OPEB obligation (asset) - end of year	\$	(151,058)

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the trust and the net OPEB obligation for the current and prior two years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
12/31/2015	\$ 324,393	146.6%	\$ (151,058)
12/31/2014	551,716	100.0%	-
12/31/2013	523,342	100.0%	-

Funding progress:

(A)	(B)	(C)	(D)	(E)	(F)	
Actuarial Valuation Date	Actuarial Asset Value	Actuarial Accrued Liability (AAL) Projected unit credit	Unfunded AAL (UAAL) [(B)-(A)]	Funded Ratio [(A)/(B)]	Covered Payroll	UAAL as Percentage of Covered Payroll [(C)/(E)]
1/1/2016	\$ 4,537,189	\$ 5,815,218	\$ 1,278,029	78%	\$ 12,867,864	10%

The multi-year trend information is located in the required supplementary information immediately following the notes to the financial statements. The projection of future benefits for an ongoing benefit involves estimates for the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funding status of the trust and required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE 4 - OTHER INFORMATION (continued)

C. POST EMPLOYMENT HEALTH CARE BENEFITS (continued)

The schedule of funding progress, presented immediately following the footnotes, presents multi-year trend information that shows whether the actuarial value of trust assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

The above schedules of employer contributions present trend information about the amounts contributed to the trust by the City in comparison to the ARC, an amount actuarially determined in accordance with the parameters of GASB Statement No. 43. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost for each year and amortize any unfunded actuarial liabilities (or funding excess) over a closed period of thirty years.

Projections of benefits for financial reporting purposes are based upon the substantive plan (the plan as understood by the City and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the City and plan members to that point. The methods and assumptions used include techniques that are designed to reduce short term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long term perspective of the calculations.

The trust's financial statements are prepared using the accrual basis of accounting. Retiree and City contributions are recognized in the period that contributions are due. The City has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable. Investments are reported at fair value with the valuation determined by the independent custodian of the assets.

The following significant assumptions were made:

The actuarial valuation uses the projected unit credit actuarial cost method.

The ARC was calculated using the level percentage of payroll method, amortizing costs over a closed period of 30 years. The remaining amortization period at December 31, 2015 was 22 years.

Based upon the expected return of the City of Franklin Post Employment Benefits Trust under the investment policy adopted for the Trust, a discount rate of 6.75% was used.

The actuarial value of the trust assets is determined using techniques that spread the impact of short term volatility over a five year period.

Group health charges for actives and retirees were used as the basis for calculation of the present value of total benefits to be paid.

The expected healthcare trend rate of increase in group health charges was based upon the recent experience of the City of Franklin self funded health care program. The trend rate assumption of 6.5% for years one and two, 6.0% for years three and four, reduced to an ultimate rate of 5.5% after thirteen years, was used.

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2015**

NOTE 4 - OTHER INFORMATION (continued)

C. POST EMPLOYMENT HEALTH CARE BENEFITS (continued)

The expected long term payroll growth rate was assumed to be 3% which is the expected inflation rate for the City.

No post-retirement benefit increases other than salary increases are anticipated.

Rates of retirement, mortality and termination for reasons other than retirement and death are from the "Wisconsin Retirement System 2009-2011 Experience Study".

Marital status at retirement was assumed to be 75% with a spouse or dependents.

D. CONTINGENCIES AND COMMITMENTS

The City at times is party to claims and legal proceedings. Although the outcome of such matters is not presently determinable, it is the opinion of City management and the City attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the City's financial position.

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

The City has \$2,962,937 in outstanding contractual commitments relating to various Public Works projects and equipment purchases at December 31, 2015. The City has encumbered \$147,121 at year end due to valid contracts or purchase orders in place and the related services committed and not yet received.

The City receives impact fees for new development projects. The fees are to be used to fund specific projects within a specific period of time. In the event the projects are not completed or the time period elapses, the City will be required to refund the impact fees to the current owners of properties that the fees were originally collected.

Funding for the operating budget of the City comes from many sources, including property taxes, grants and aids from other units of government, user fees, fines and permits and other miscellaneous revenue. The State of Wisconsin provides a variety of aid and grant programs that benefit the City. Those aid and grant programs are dependent on continued approval and funding by the Wisconsin governor and legislature, through their budget process. Any changes made by the State to funding or eligibility of local aid programs could have a significant impact on future operating results of the City.

E. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, natural disasters, and workers' compensation claims that the City carries commercial insurance. No significant reductions in insurance coverage occurred for any risk of loss in the past year, and settled claims have not exceeded commercial coverage in any of the past three fiscal years.

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2015**

NOTE 4 - OTHER INFORMATION (continued)

E. RISK MANAGEMENT (continued)

The City also offers a group medical and dental insurance plan to employees for which the City is self-insured. This activity is accounted for in the City's Self Insurance Internal Service Fund. Group medical and dental costs are charged to City departments and retirees participating in the program. A third party administrator handles claims payments. The City carries stop loss insurance for claims in excess of \$60,000 per year per individual. Liabilities are reported when it is probable that claims have occurred and the amount of the claim can be reasonably estimated. Liabilities include an estimated amount for claims that have been incurred but not reported ("IBNR").

Changes in the balance of claims payable for the two years ended December 31, 2015 are as follows:

	Balance Beginning of <u>Year</u>	Current Claims and Changes in <u>Estimates</u>	Claims <u>Payments</u>	Balance End <u>of Year</u>
2015	\$ 370,500	\$ 3,296,302	\$ 3,396,302	\$ 270,500
2014	\$ 379,100	\$ 3,047,834	\$ 3,056,434	\$ 370,500

F. RESTATEMENT

The City adopted GASB Statement No. 68 *Accounting and Financial Reporting for Pensions* and the related GASB Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68* as of January 1, 2015. The standard revises and establishes new financial reporting requirements for most government that provide their employees with pension benefits. As a result, the City' beginning of the year net position has been restated as follows:

	<u>Governmental Funds</u>	<u>Water Utility</u>	<u>Sanitary Sewer</u>	<u>Business-type Activities</u>
Ending net position, December 31, 2015, as previously reported	\$ 122,708,989	\$ 46,541,606	\$ 46,354,839	\$ 92,896,445
Restatement to record beginning of the year deferred outflow for contributions made after the measurement date	929,213	37,987	20,720	58,707
Restatement to record beginning of the year WRS pension asset	3,399,508	-	-	-
Restatement to record beginning of the year DPW pension liability	<u>(130,642)</u>	<u>(69,840)</u>	<u>(38,095)</u>	<u>(107,935)</u>
Net position, January 1, 2015, as restated	<u>\$ 126,907,068</u>	<u>\$ 46,509,753</u>	<u>\$ 46,337,464</u>	<u>\$ 92,847,217</u>

G. SUBSEQUENT EVENT

On April 5, 2016 the City issued \$5,770,000 of General Obligation Refunding Bonds, series 2016A with maturity dates between March 1, 2017 and March 1, 2021. The bonds carry an interest rate of 2.00% and interest is payable March 1 and September 1, annually. The proceeds are to be used for refunding certain outstanding obligations.

**CITY OF FRANKLIN, WISCONSIN
 REQUIRED SUPPLEMENTARY INFORMATION
 (Unaudited)
 December 31, 2015**

**City of Franklin Post Employment Benefit Trust
 Schedule of Funding Progress**

Actuarial Valuation Date	(A) Actuarial Asset Value	(B) Actuarial Accrued Liability (AAL) - Aggregate	(C) Unfunded AAL (UAAL) [(B)-(A)]	(D) Funded Ratio [(A)/(B)]	(E) Covered Payroll	(F) UAAL as Percentage of Covered Payroll [(C)/(E)]
1/1/2016	\$ 4,537,189	\$ 5,815,218	\$ 1,278,029	78%	\$ 12,867,864	10%
1/1/2014	3,908,637	7,095,993	3,187,356	55%	12,155,777	26%
1/1/2012	2,399,455	8,184,388	5,784,933	29%	11,553,455	50%

**CITY OF FRANKLIN, WISCONSIN
 REQUIRED SUPPLEMENTARY INFORMATION
 (Unaudited)
 December 31, 2015**

Schedule of the City's Proportionate Share of the Net Pension Liability (Asset)
 Wisconsin Retirement System

	2015
The City's proportion of the net pension liability (asset)	0.08411666%
The City's proportionate share of the net pension liability (asset)	\$ (2,066,135)
The City's covered-employee payroll	\$ 8,071,472
Plan fiduciary net position as a percentage of the total pension liability (asset)	103%

Schedule of the City's Contributions
 Wisconsin Retirement System

	2015
Contractually required contributions	\$ 815,219
Contributions in relation to the contractually required contributions	\$ 815,219
Contribution deficiency (excess)	\$ -
City's covered - employee payroll	\$ 8,071,472
Contributions as a percentage of covered-employee payroll	10%

CITY OF FRANKLIN, WISCONSIN
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS MULTIYEAR (UNAUDITED)
Last 10 Fiscal Years (Which May be Built Prospectively)
Public Works Employee Pension Plan

<u>Fiscal Year Ending December 31,</u>	<u>2015</u>
Total Pension Liability	
Service Cost	\$ 165,130
Interest on the Total Pension Liability	531,850
Benefit Changes	-
Difference between Expected and Actual	
Experience	527,384
Assumption Changes	213,402
Benefit Payments	(191,375)
Refunds	-
Net Change in Total Pension Liability	1,246,391
Total Pension Liability - Beginning	7,022,369
Total Pension Liability - Ending	\$ 8,268,760
Plan Fiduciary Net Position	
Employer Contributions	\$ 293,632
Employee Contributions	-
Pension Plan Net Investment Income	377,842
Benefit Payments	(191,375)
Refunds	-
Pension Plan Administrative Expense	(27,941)
Other	-
Net Change in Plan Fiduciary Net Position	452,158
Plan Fiduciary Net Position - Beginning	6,704,912
Plan Fiduciary Net Position - Ending	\$ 7,157,070
Net Pension Liability (Asset) Ending	\$ 1,111,690
Plan Fiduciary Net Position as a Percentage	
of Total Pension Liability	87%
Covered Payroll	\$ 1,792,628
Net Pension Liability as a Percentage	
of Covered Payroll	62%

Notes to Schedule:

Information prior to 2015 is not available

CITY OF FRANKLIN, WISCONSIN
SCHEDULE OF CONTRIBUTIONS MULTIYEAR (UNAUDITED)
Last 10 Fiscal Years (Which May be Built Prospectively)
Public Works Employee Pension Plan

<u>Fiscal Year Ending December 31,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Actual Contribution as a % of Covered Payroll</u>
2015	\$ 293,632	\$ 293,632	\$ -	\$ 1,792,628	16%

Notes to Schedule:

Information prior to 2015 is not available

CITY OF FRANKLIN, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2015

NOTE 1 - FUNDING PROGRESS DATA

The data presented in the Schedule of Funding Progress for City of Franklin Public Works Employees' Pension Plan was taken from the reports issued by the actuary.

NOTE 2 - WISCONSIN RETIREMENT SYSTEM

Changes of benefit terms. There were no changes of benefit terms for any participating employer in WRS.

Changes of assumptions. There were no changes in the assumptions.

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds account for the proceeds of specific revenue sources (other than debt service or major capital projects) that are restricted for specified purposes.

Library Operating Fund – This fund accounts for the budgetary operation of the Library.

Library Auxiliary Fund – This fund accounts for Library donations, fines and forfeitures.

Solid Waste Collection Fund – This fund accounts for solid waste collection activities.

Donation Fund – This fund accounts for donations received for specific purposes.

St Martin's Fair Fund – This fund accounts for activities related to the farmers/flea market held the first Monday of the spring and summer months and the Labor Day weekend.

Civic Celebrations Fund – This fund accounts for activity related to the City's Fourth of July and other celebrations.

Grant Fund – The City reports its grant activities in this fund. Grant activities include Fire Department, Police Department, Health Department, Community Development Block Grants and miscellaneous grants received by the City that are not accounted for elsewhere.

Capital Projects Funds

Capital Projects Funds account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds).

Capital Outlay Fund – This fund accounts for the departmental capital outlays. These expenditures are funded by the tax levy, normally are less than \$25,000 and are under the direction of the department supervisor.

Equipment Replacement Fund – This fund accounts for the rolling stock replacement program that accumulates annual funding (from property taxes) for replacement of vehicles and similar equipment in lieu of using borrowed monies.

Capital Improvement Fund – This fund accounts for land acquisitions, building projects and all public works projects and are usually funded with landfill siting revenues, borrowed money or funding from some other source other than the tax levy.

Street Improvement Fund – This fund accounts for the activities of the local road improvement program. Funding is provided by the tax levy and an every other year local road improvement grant from the State, and landfill siting revenues.

Utility Improvement Fund – This fund is used to account for water and sewer connection fees and special assessments that are used for water and sewer construction projects.

Development Fund – This fund is used to account for impact fees restricted for use to capital improvements.

CITY OF FRANKLIN, WISCONSIN
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2015

	Special Revenue Funds							Total
	Library Operating Fund	Library Auxiliary Fund	Solid Waste Collection Fund	St Martin's Fair Fund	Donation Fund	Civic Celebrations Fund	Grant Fund	
ASSETS								
Cash and investments	\$ 403,561	\$ 120,009	\$ 395,130	\$ (1,159)	\$ 133,739	\$ 47,656	\$ 151,611	\$ 1,250,547
Receivables								
Accounts receivable	-	-	30,640	-	-	-	10,252	40,892
Taxes receivable	1,287,000	-	1,198,161	-	-	-	-	2,485,161
Special assessments receivable	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
Due from other governments	84,961	-	-	-	-	-	-	84,961
Prepaid items	-	650	-	-	-	80	-	730
Long-term advances	-	-	-	-	-	-	-	-
Total assets	<u>\$ 1,775,522</u>	<u>\$ 120,659</u>	<u>\$ 1,623,931</u>	<u>\$ (1,159)</u>	<u>\$ 133,739</u>	<u>\$ 47,736</u>	<u>\$ 161,863</u>	<u>\$ 3,862,291</u>
LIABILITIES AND FUND BALANCES								
LIABILITIES								
Accounts payable	\$ 61,744	\$ -	\$ 164,534	\$ -	\$ 61	\$ -	\$ 1,860	\$ 228,199
Accrued liabilities	19,915	3,229	292	-	-	-	-	23,436
Due to other funds	-	-	-	11,552	-	-	-	11,552
Due other governments	-	406	-	-	-	-	-	406
Total liabilities	<u>81,659</u>	<u>3,635</u>	<u>164,826</u>	<u>11,552</u>	<u>61</u>	<u>-</u>	<u>1,860</u>	<u>263,593</u>
DEFERRED INFLOWS OF RESOURCES								
Unearned & unavailable revenue	<u>1,287,000</u>	<u>-</u>	<u>1,198,161</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,485,161</u>
FUND BALANCES (DEFICIT)								
Nonspendable:								
Prepaid items	-	650	-	-	-	80	-	730
Restricted:								
Utility improvements	-	-	-	-	-	-	-	-
Development	-	-	-	-	-	-	-	-
Donations	-	-	-	-	133,678	-	-	133,678
Health services	-	-	-	-	-	-	160,003	160,003
Library services	406,863	116,374	-	-	-	-	-	523,237
Solid waste	-	-	260,944	-	-	-	-	260,944
Recreational services	-	-	-	-	-	47,656	-	47,656
Assigned:								
Capital projects	-	-	-	-	-	-	-	-
Unassigned (deficit)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(12,711)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(12,711)</u>
Total fund balances (deficit)	<u>406,863</u>	<u>117,024</u>	<u>260,944</u>	<u>(12,711)</u>	<u>133,678</u>	<u>47,736</u>	<u>160,003</u>	<u>1,113,537</u>
Total liabilities, deferred inflows and fund balances (deficit)	<u>\$ 1,775,522</u>	<u>\$ 120,659</u>	<u>\$ 1,623,931</u>	<u>\$ (1,159)</u>	<u>\$ 133,739</u>	<u>\$ 47,736</u>	<u>\$ 161,863</u>	<u>\$ 3,862,291</u>

(Continued)

CITY OF FRANKLIN, WISCONSIN
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2015

	Capital Projects Funds						Total	Total Nonmajor Governmental Funds
	Capital Outlay Fund	Equipment Replacement Fund	Capital Improvement Fund	Street Improvement Fund	Utility Improvement Fund	Development Fund		
ASSETS								
Cash and investments	\$ 707,407	\$ 2,328,289	\$ 2,712,197	\$ 245,955	\$ 707,963	\$ 3,001,653	\$ 9,703,464	\$ 10,954,011
Receivables								
Accounts receivable	-	-	83,371	-	(95,136)	-	(11,765)	29,127
Taxes receivable	437,100	342,600	-	693,500	199,041	-	1,672,241	4,157,402
Special assessments receivable	-	-	-	-	1,187,890	-	1,187,890	1,187,890
Due from other funds	-	-	131,198	-	-	-	131,198	131,198
Due from other governments	-	-	-	-	-	-	-	84,961
Prepaid items	-	-	-	-	-	-	-	730
Long-term advances	-	-	-	-	-	850,000	850,000	850,000
Total assets	<u>\$ 1,144,507</u>	<u>\$ 2,670,889</u>	<u>\$ 2,926,766</u>	<u>\$ 939,455</u>	<u>\$ 1,999,758</u>	<u>\$ 3,851,653</u>	<u>\$ 13,533,028</u>	<u>\$ 17,395,319</u>
LIABILITIES AND FUND BALANCES								
LIABILITIES								
Accounts payable	\$ 41,246	\$ 23,646	\$ 1,236,931	\$ -	\$ -	\$ -	\$ 1,301,823	\$ 1,530,022
Accrued liabilities	-	-	-	-	-	-	-	23,436
Due to other funds	-	-	-	-	-	-	-	11,552
Due to other governments	-	-	-	-	-	-	-	406
Total liabilities	<u>41,246</u>	<u>23,646</u>	<u>1,236,931</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,301,823</u>	<u>1,565,416</u>
DEFERRED INFLOWS OF RESOURCES								
Unearned & unavailable revenue	<u>437,100</u>	<u>342,600</u>	<u>-</u>	<u>693,500</u>	<u>1,092,755</u>	<u>-</u>	<u>2,565,955</u>	<u>5,051,116</u>
FUND BALANCES (DEFICIT)								
Nonspendable:								
Prepaid items	-	-	-	-	-	-	-	730
Restricted:								
Utility improvements	-	-	-	-	907,003	-	907,003	907,003
Development	-	-	-	-	-	3,851,653	3,851,653	3,851,653
Donations	-	-	-	-	-	-	-	133,678
Health services	-	-	-	-	-	-	-	160,003
Library services	-	-	-	-	-	-	-	523,237
Solid waste	-	-	-	-	-	-	-	260,944
Recreational services	-	-	-	-	-	-	-	47,656
Assigned:								
Capital projects	666,161	2,304,643	1,689,835	245,955	-	-	4,906,594	4,906,594
Unassigned (deficit)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(12,711)</u>
Total fund balances (deficit)	<u>666,161</u>	<u>2,304,643</u>	<u>1,689,835</u>	<u>245,955</u>	<u>907,003</u>	<u>3,851,653</u>	<u>9,665,250</u>	<u>10,778,787</u>
Total liabilities, deferred inflows and fund balances (deficit)	<u>\$ 1,144,507</u>	<u>\$ 2,670,889</u>	<u>\$ 2,926,766</u>	<u>\$ 939,455</u>	<u>\$ 1,999,758</u>	<u>\$ 3,851,653</u>	<u>\$ 13,533,028</u>	<u>\$ 17,395,319</u>

CITY OF FRANKLIN, WISCONSIN
Combining Schedule of Revenue, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2015

	Special Revenue Funds							Total
	Library Operating Fund	Library Auxiliary Fund	Solid Waste Fund	St Martin's Fair Fund	Donation Fund	Civic Celebrations Fund	Grant Fund	
REVENUE								
Taxes	\$ 1,240,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,240,000
Intergovernmental revenue	84,961	-	69,191	-	-	-	111,065	265,217
Licenses and permits	-	-	-	37,610	-	-	-	37,610
Public charges for services	-	6,840	1,513,020	-	-	77,390	-	1,597,250
Special assessments	-	-	-	-	-	-	-	-
Investment earnings	2,766	128	2,415	-	-	-	307	5,616
Miscellaneous revenue	-	58,940	390	750	35,248	20,699	6,545	122,572
Total revenue	<u>1,327,727</u>	<u>65,908</u>	<u>1,585,016</u>	<u>38,360</u>	<u>35,248</u>	<u>98,089</u>	<u>117,917</u>	<u>3,268,265</u>
EXPENDITURES								
Current:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	18,211	-	3,796	22,007
Public works	-	-	1,540,457	-	-	-	-	1,540,457
Health and human services	-	-	-	-	352	-	82,430	82,782
Culture and recreation	1,237,590	29,280	-	50,519	141	109,504	1,195	1,428,229
Conservation and development	-	-	-	-	-	-	-	-
Capital outlay	153,756	46,299	-	-	5,416	-	45,714	251,185
Total expenditures	<u>1,391,346</u>	<u>75,579</u>	<u>1,540,457</u>	<u>50,519</u>	<u>24,120</u>	<u>109,504</u>	<u>133,135</u>	<u>3,324,660</u>
Excess (deficiency) of revenue over expenditures	(63,619)	(9,671)	44,559	(12,159)	11,128	(11,415)	(15,218)	(56,395)
OTHER FINANCING SOURCES (USES)								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	11,000	-	13,000	-	24,000
Transfers out	-	-	-	-	-	-	-	-
General obligation debt issued	-	-	-	-	-	-	-	-
Net change in fund balances	(63,619)	(9,671)	44,559	(1,159)	11,128	1,585	(15,218)	(32,395)
Fund balances - beginning	<u>470,482</u>	<u>126,695</u>	<u>216,385</u>	<u>(11,552)</u>	<u>122,550</u>	<u>46,151</u>	<u>175,221</u>	<u>1,145,932</u>
Fund balances (deficit) - ending	<u>\$ 406,863</u>	<u>\$ 117,024</u>	<u>\$ 260,944</u>	<u>\$ (12,711)</u>	<u>\$ 133,678</u>	<u>\$ 47,736</u>	<u>\$ 160,003</u>	<u>\$ 1,113,537</u>

(Continued)

CITY OF FRANKLIN, WISCONSIN
Combining Schedule of Revenue, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2015

	Capital Projects Funds						Total	Total Nonmajor Governmental Funds
	Capital Outlay Fund	Equipment Replacement Fund	Capital Improvement Fund	Street Improvement Fund	Utility Improvement Fund	Development Fund		
REVENUE								
Taxes	\$ 433,200	\$ 339,500	\$ -	\$ 687,300	\$ -	\$ -	\$ 1,460,000	\$ 2,700,000
Intergovernmental revenue	8,130	-	-	-	-	-	8,130	273,347
Licenses and permits	-	-	-	-	-	-	-	37,610
Public charges for services	67,000	100,000	623,473	133,000	-	-	923,473	2,520,723
Special assessments	-	-	-	-	180,596	413,977	594,573	594,573
Investment earnings	6,792	26,845	4,681	5,334	53,976	63,882	161,510	167,126
Miscellaneous revenue	(10)	-	-	2,441	-	-	2,431	125,003
Total revenue	<u>515,112</u>	<u>466,345</u>	<u>628,154</u>	<u>828,075</u>	<u>234,572</u>	<u>477,859</u>	<u>3,150,117</u>	<u>6,418,382</u>
EXPENDITURES								
Current:								
General government	3,600	-	-	-	-	6,751	10,351	10,351
Public safety	1,006	-	-	-	-	-	1,006	23,013
Public works	-	-	-	-	-	-	-	1,540,457
Health and human services	-	-	-	-	-	-	-	82,782
Culture and recreation	-	-	-	-	-	-	-	1,428,229
Conservation and development	-	-	-	-	-	-	-	-
Capital outlay	647,063	360,680	1,571,220	837,956	-	-	3,416,919	3,668,104
Total expenditures	<u>651,669</u>	<u>360,680</u>	<u>1,571,220</u>	<u>837,956</u>	<u>-</u>	<u>6,751</u>	<u>3,428,276</u>	<u>6,752,936</u>
Excess (deficiency) of revenue over expenditures	(136,557)	105,665	(943,066)	(9,881)	234,572	471,108	(278,159)	(334,554)
OTHER FINANCING SOURCES (USES)								
Sale of capital assets	24,370	9,305	-	-	-	-	33,675	33,675
Transfers in	475,000	-	657,300	25,000	-	-	1,157,300	1,181,300
Transfers out	-	-	-	-	-	(789,794)	(789,794)	(789,794)
General obligation debt issued	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>499,370</u>	<u>9,305</u>	<u>657,300</u>	<u>25,000</u>	<u>-</u>	<u>(789,794)</u>	<u>401,181</u>	<u>425,181</u>
Net change in fund balances	362,813	114,970	(285,766)	15,119	234,572	(318,686)	123,022	90,627
Fund balances - beginning	<u>303,348</u>	<u>2,189,673</u>	<u>1,975,601</u>	<u>230,836</u>	<u>672,431</u>	<u>4,170,339</u>	<u>9,542,228</u>	<u>10,688,160</u>
Fund balances (deficit) - ending	<u>\$ 666,161</u>	<u>\$ 2,304,643</u>	<u>\$ 1,689,835</u>	<u>\$ 245,955</u>	<u>\$ 907,003</u>	<u>\$ 3,851,653</u>	<u>\$ 9,665,250</u>	<u>\$ 10,778,787</u>

CITY OF FRANKLIN, WISCONSIN
General Fund
Schedule of Revenue - Budget and Actual (on a Budgetary Basis)
Year Ended December 31, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with final budget - Favorable (Unfavorable)</u>
TAXES				
General property taxes	\$ 16,209,000	\$ 16,209,000	\$ 16,230,066	\$ 21,066
Water Utility - tax equivalent	1,100,000	1,100,000	1,044,460	(55,540)
Cable TV franchise fees	500,000	500,000	526,750	26,750
Mobile home assessments	26,700	26,700	22,648	(4,052)
Motel room tax	290,000	290,000	235,797	(54,203)
	<u>18,125,700</u>	<u>18,125,700</u>	<u>18,059,721</u>	<u>(65,979)</u>
INTERGOVERNMENTAL REVENUE				
State shared revenue	476,000	476,000	488,837	12,837
State expenditure restraint revenue	289,000	289,000	284,070	(4,930)
Fire insurance - dues	133,000	133,000	130,512	(2,488)
Local, state and federal grants and aids				
Computer aid	345,000	345,000	589,797	244,797
Transportation aids	1,165,000	1,165,000	1,217,386	52,386
Other	72,500	72,500	64,747	(7,753)
	<u>2,480,500</u>	<u>2,480,500</u>	<u>2,775,349</u>	<u>294,849</u>
LICENSES, FEES AND PERMITS				
Licenses:				
Beer and liquor	30,500	30,500	35,589	5,089
Bartenders	16,000	16,000	16,924	924
Amusement and related	11,100	11,100	9,880	(1,220)
Peddlers	1,700	1,700	(2,716)	(4,416)
Dog and cat	9,000	9,000	7,006	(1,994)
Health	52,100	52,100	62,987	10,887
Other	16,200	16,200	18,686	2,486
Permits:				
Building	530,000	530,000	343,322	(186,678)
Electrical	72,000	72,000	68,689	(3,311)
Plumbing	88,000	88,000	61,690	(26,310)
Sign	9,000	9,000	9,360	360
Park	12,000	12,000	13,364	1,364
Street excavation	3,500	3,500	14,566	11,066
Other	11,000	11,000	10,020	(980)
	<u>862,100</u>	<u>862,100</u>	<u>669,367</u>	<u>(192,733)</u>
FINES, FORFEITURES AND PENALTIES	<u>422,600</u>	<u>422,600</u>	<u>484,957</u>	<u>62,357</u>

(Continued)

CITY OF FRANKLIN, WISCONSIN
General Fund
Schedule of Revenue - Budget and Actual (on a Budgetary Basis)
Year Ended December 31, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with final budget - Favorable (Unfavorable)</u>
PUBLIC CHARGES FOR SERVICES				
General government				
Property reports and document fees	\$ 12,250	\$ 12,250	\$ 16,889	\$ 4,639
Public safety				
Police Department and related	9,000	9,000	3,572	(5,428)
Ambulance service	1,050,320	1,050,320	1,110,367	60,047
Fire Department and related	112,000	112,000	76,241	(35,759)
Quarry reimbursement	42,000	42,000	39,410	(2,590)
Weights and measures	6,800	7,600	8,909	1,309
Public works				
Weed cutting	15,050	15,050	9,178	(5,872)
Street lighting	12,000	12,000	9,647	(2,353)
Engineering and DPW fees	27,000	27,000	30,234	3,234
Health and human services				
	85,000	94,000	96,936	2,936
Conservation and development				
	143,650	143,650	143,228	(422)
	<u>1,515,070</u>	<u>1,524,870</u>	<u>1,544,611</u>	<u>19,741</u>
INTERGOVERNMENTAL CHARGES FOR SERVICES	<u>201,300</u>	<u>201,300</u>	<u>192,188</u>	<u>(9,112)</u>
INVESTMENT EARNINGS (LOSS)	<u>206,500</u>	<u>206,500</u>	<u>238,562</u>	<u>32,062</u>
MISCELLANEOUS REVENUE				
Municipal property rental	40,000	40,000	61,852	21,852
Culvert sales	3,500	3,500	11,287	7,787
Sale of state seals	1,200	1,200	1,280	-
Refunds and reimbursements	40,000	40,000	26,315	(13,685)
Insurance dividend	15,000	15,000	52,162	37,162
Animal control ordinance fee	3,800	3,800	2,087	-
Other revenue	-	-	593	593
	<u>103,500</u>	<u>103,500</u>	<u>155,576</u>	<u>53,709</u>
TOTAL REVENUE	<u>\$ 23,917,270</u>	<u>\$ 23,927,070</u>	<u>\$ 24,120,331</u>	<u>\$ 194,894</u>

CITY OF FRANKLIN, WISCONSIN
General Fund
Schedule of Expenditures - Budget and Actual (on a Budgetary Basis)
Year Ended December 31, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with final budget - Favorable (Unfavorable)</u>
CURRENT				
General Government				
Mayor - Personnel Services	\$ 18,512	\$ 18,512	\$ 18,512	\$ -
Mayor - Other Services	8,000	8,000	5,888	2,112
Aldermen - Personnel Services	47,482	47,482	47,487	(5)
Aldermen - Other Services	30,000	30,500	21,865	8,635
Municipal court - Personnel Services	178,969	173,969	170,612	3,357
Municipal court - Other Services	47,200	52,200	51,662	538
City clerk - Personnel Services	284,032	284,032	283,578	454
City clerk - Other Services	28,000	34,000	29,627	4,373
Elections - Personnel Services	18,184	18,184	15,513	2,671
Elections - Other Services	24,700	24,700	5,596	19,104
Information services - Personnel Service	83,637	53,337	17,000	36,337
Information services - Other Services	341,100	371,400	353,304	18,096
Administration - Personnel Services	290,237	288,037	280,594	7,443
Administration - Other Services	165,045	205,045	96,635	108,410
Finance - Personnel Services	409,252	411,452	411,359	93
Finance - Other Services	84,241	84,241	83,055	1,186
Independent Audit	36,500	36,500	33,285	3,215
Assessor - Personnel Services	54,424	54,424	54,205	219
Assessor - Other Services	173,450	173,450	146,697	26,753
Legal counsel	334,800	334,800	316,006	18,794
Municipal buildings - Personnel Services	92,776	68,776	55,524	13,252
Municipal buildings - Other Services	112,600	136,600	133,153	3,447
Property and liability insurance	105,775	105,775	51,980	53,795
Contingency	707,200	640,508	28,581	611,927
Total General Government	<u>3,676,116</u>	<u>3,655,924</u>	<u>2,711,718</u>	<u>944,206</u>
Public Safety				
Police - Personnel Services	7,124,185	7,124,185	7,032,851	91,334
Police - Other Services	1,102,300	1,108,174	954,481	153,693
Police Dispatch - Personnel Services	1,059,860	1,059,860	1,031,594	28,266
Fire - Personnel Services	5,526,485	5,563,685	5,563,662	23
Fire - Other Services	444,805	444,805	428,977	15,828
Fire protection service charge	265,200	265,200	260,763	4,437
Building inspection - Personnel Services	724,579	724,579	686,564	38,015
Building inspection - Other Services	34,800	34,800	25,183	9,617
Sealer of weights and measures	6,800	7,600	6,800	800
Total Public Safety	<u>16,289,014</u>	<u>16,332,888</u>	<u>15,990,875</u>	<u>342,013</u>

(Continued)

CITY OF FRANKLIN, WISCONSIN
General Fund
Schedule of Expenditures - Budget and Actual (on a Budgetary Basis)
Year Ended December 31, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with final budget - Favorable (Unfavorable)</u>
CURRENT				
Public Works				
Engineering - Personnel Services	\$ 588,437	\$ 583,437	\$ 497,128	\$ 86,309
Engineering - Other Services	24,522	29,522	22,356	7,166
Highway - Personnel Services	1,776,948	1,714,848	1,600,962	113,886
Highway - Other Services	850,056	854,506	642,135	212,371
Street lighting	339,640	365,509	309,446	56,063
Weed control	15,050	15,050	7,863	7,187
Total Public Works	<u>3,594,653</u>	<u>3,562,872</u>	<u>3,079,890</u>	<u>482,982</u>
Health and Human Services				
Public health - Personnel Services	550,232	550,232	539,695	10,537
Public health - Other Services	58,300	67,300	62,752	4,548
Animal control	39,200	39,200	30,941	8,259
Total Health and Human Services	<u>647,732</u>	<u>656,732</u>	<u>633,388</u>	<u>23,344</u>
Culture and Recreation				
Senior activities and travel program	20,000	20,000	18,386	1,614
Parks - Personnel Services	109,328	134,228	134,151	77
Parks - Other Services	26,000	27,345	23,915	3,430
Total Culture and Recreation	<u>155,328</u>	<u>181,573</u>	<u>176,452</u>	<u>5,121</u>
Conservation and Development				
Planning - Personnel Services	323,142	326,442	326,358	84
Planning - Other Services	59,550	56,250	53,017	3,233
Economic development - Personnel Services	78,235	78,235	37,600	40,635
Economic development - Other Services	19,500	209,425	60,087	149,338
Total Conservation and Development	<u>480,427</u>	<u>670,352</u>	<u>477,062</u>	<u>193,290</u>
TOTAL EXPENDITURES	<u>\$ 24,843,270</u>	<u>\$ 25,060,341</u>	<u>\$ 23,069,385</u>	<u>\$ 1,990,956</u>

CITY OF FRANKLIN, WISCONSIN
Debt Service Fund
Schedule of Revenue, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended December 31, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with final budget - Favorable (Unfavorable)
REVENUE				
Taxes	\$ 1,600,000	\$ 1,600,000	\$ 1,600,000	\$ -
Special assessments	-	-	47,683	47,683
Investment earnings	-	-	12,500	12,500
Total revenue	<u>1,600,000</u>	<u>1,600,000</u>	<u>1,660,183</u>	<u>60,183</u>
EXPENDITURES				
Debt service				
Principal	570,000	595,000	595,000	-
Interest	<u>371,926</u>	<u>346,926</u>	<u>315,672</u>	<u>31,254</u>
Total expenditures	<u>941,926</u>	<u>941,926</u>	<u>910,672</u>	<u>31,254</u>
Excess of revenue over expenditures	658,074	658,074	749,511	91,437
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>416,926</u>	<u>416,926</u>	182,493	(234,433)
Total other financing sources (uses)	<u>416,926</u>	<u>416,926</u>	<u>182,493</u>	<u>(234,433)</u>
Net change in fund balances	<u>\$ 1,075,000</u>	<u>\$ 1,075,000</u>	932,004	<u>\$ (142,996)</u>
Fund balances (deficit) - beginning			<u>(424,721)</u>	
Fund balances (deficit) - ending			<u>\$ 507,283</u>	

CITY OF FRANKLIN, WISCONSIN
Library Operating Fund
Schedule of Revenue, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended December 31, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Favorable (Unfavorable)</u>
REVENUE				
Taxes	\$ 1,240,000	\$ 1,240,000	\$ 1,240,000	\$ -
Intergovernmental revenue	100,000	100,000	84,961	(15,039)
Investment earnings (loss)	-	-	2,766	2,766
	<u>1,340,000</u>	<u>1,340,000</u>	<u>1,327,727</u>	<u>(12,273)</u>
EXPENDITURES				
Current:				
Culture and recreation	1,248,285	1,248,285	1,237,590	10,695
Capital outlay	164,200	164,200	156,454	7,746
	<u>1,412,485</u>	<u>1,412,485</u>	<u>1,394,044</u>	<u>18,441</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(72,485)</u>	<u>(72,485)</u>	<u>(66,317)</u>	<u>6,168</u>
Net change in fund balances	<u>\$ (72,485)</u>	<u>\$ (72,485)</u>	<u>(66,317)</u>	<u>\$ 6,168</u>
Adjustments to generally accepted accounting principles basis				
2014 encumbrances			-	
2015 encumbrances			2,698	
Fund balances - beginning			<u>470,482</u>	
Fund balances - ending			<u>\$ 406,863</u>	

CITY OF FRANKLIN, WISCONSIN
Solid Waste Collection Fund
Schedule of Revenue, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended December 31, 2015

	Original and Final Budget	Actual	Variance with Final Budget - Favorable (Unfavorable)
REVENUE			
Intergovernmental revenue	\$ 69,300	\$ 69,191	\$ (109)
Public charges for services	1,508,200	1,513,020	4,820
Investment earnings	5,000	2,415	(2,585)
Miscellaneous revenue	4,100	390	(3,710)
	<u>1,586,600</u>	<u>1,585,016</u>	<u>(1,584)</u>
EXPENDITURES			
Current:			
Public works	1,546,613	1,540,457	6,156
	<u>1,546,613</u>	<u>1,540,457</u>	<u>6,156</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>39,987</u>	<u>44,559</u>	<u>4,572</u>
Net change in fund balances	<u>\$ 39,987</u>	44,559	<u>\$ 4,572</u>
Fund balances - beginning		<u>216,385</u>	
Fund balances - ending		<u>\$ 260,944</u>	

CITY OF FRANKLIN, WISCONSIN
Capital Projects Funds
Schedule of Revenue, Expenditures and Changes in Fund Balances -
Budget and Actual (on a Budgetary Basis)
Year Ended December 31, 2015

	<u>Capital Outlay Fund</u>				<u>Equipment Replacement Fund</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with final budget - Favorable (Unfavorable)</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with final budget - Favorable (Unfavorable)</u>
REVENUE								
Taxes	\$ 433,200	\$ 433,200	\$ 433,200	\$ -	\$ 339,500	\$ 339,500	\$ 339,500	\$ -
Intergovernmental revenue	-	-	8,130	8,130	-	-	-	-
Public charges for services	67,000	67,000	67,000	-	100,000	100,000	100,000	-
Investment earnings (loss)	4,500	4,500	6,792	2,292	20,000	20,000	26,845	6,845
Miscellaneous revenue	-	-	(10)	(10)	-	-	-	-
Total revenue	<u>504,700</u>	<u>504,700</u>	<u>515,112</u>	<u>10,412</u>	<u>459,500</u>	<u>459,500</u>	<u>466,345</u>	<u>6,845</u>
EXPENDITURES								
Capital outlay	<u>939,385</u>	<u>1,027,723</u>	<u>657,949</u>	<u>369,774</u>	<u>382,000</u>	<u>382,000</u>	<u>360,680</u>	<u>21,320</u>
Total expenditures	<u>939,385</u>	<u>1,027,723</u>	<u>657,949</u>	<u>369,774</u>	<u>382,000</u>	<u>382,000</u>	<u>360,680</u>	<u>21,320</u>
Excess (deficiency) of revenue over expenditures	(434,685)	(523,023)	(142,837)	380,186	77,500	77,500	105,665	28,165
OTHER FINANCING SOURCES (USES)								
Sale of capital assets	25,000	25,000	24,370	(630)	-	-	9,305	9,305
Transfers in	475,000	555,882	475,000	-	25,000	25,000	-	(25,000)
Transfers out	-	-	-	-	-	-	-	-
General obligation debt issued	-	-	-	-	-	-	-	-
Net changes in fund balances	<u>\$ 65,315</u>	<u>\$ 57,859</u>	<u>356,533</u>	<u>\$ 379,556</u>	<u>\$ 102,500</u>	<u>\$ 102,500</u>	<u>114,970</u>	<u>\$ 12,470</u>
Adjustments to generally accepted accounting principles basis								
2014 encumbrances			(38,338)				-	
2015 encumbrances			44,618				-	
Fund balances - beginning			<u>303,348</u>				<u>2,189,673</u>	
Fund balances - ending			<u><u>\$ 666,161</u></u>				<u><u>\$ 2,304,643</u></u>	

(Continued)

CITY OF FRANKLIN, WISCONSIN
Capital Projects Funds
Schedule of Revenue, Expenditures and Changes in Fund Balances -
Budget and Actual (on a Budgetary Basis)
Year Ended December 31, 2015

	<u>Capital Improvement Fund</u>				<u>Street Improvement Fund</u>			
	Original Budget	Final Budget	Actual	Variance with final budget - Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance with final budget - Favorable (Unfavorable)
REVENUE								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 687,300	\$ 687,300	\$ 687,300	\$ -
Intergovernmental revenue	-	-	-	-	-	-	-	-
Public charges for services	830,000	830,000	623,473	(206,527)	133,000	133,000	133,000	-
Investment earnings (loss)	-	-	4,681	4,681	6,000	6,000	5,334	(666)
Miscellaneous revenue	100,000	100,000	-	(100,000)	-	-	2,441	2,441
Total revenue	<u>930,000</u>	<u>930,000</u>	<u>628,154</u>	<u>(301,846)</u>	<u>826,300</u>	<u>826,300</u>	<u>828,075</u>	<u>1,775</u>
EXPENDITURES								
Capital outlay	9,146,247	9,438,408	2,002,556	7,435,852	960,000	960,000	837,956	122,044
Total expenditures	<u>9,146,247</u>	<u>9,438,408</u>	<u>2,002,556</u>	<u>7,435,852</u>	<u>960,000</u>	<u>960,000</u>	<u>837,956</u>	<u>122,044</u>
Excess (deficiency) of revenue over expenditures	(8,216,247)	(8,508,408)	(1,374,402)	7,134,006	(133,700)	(133,700)	(9,881)	123,819
OTHER FINANCING SOURCES (USES)								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	6,893,030	7,081,030	657,300	(6,423,730)	200,000	200,000	25,000	(175,000)
Transfers out	-	-	-	-	(200,000)	(200,000)	-	200,000
General obligation debt issued	-	-	-	-	-	-	-	-
Net changes in fund balances	<u>\$ (1,323,217)</u>	<u>\$ (1,427,378)</u>	<u>(717,102)</u>	<u>\$ 710,276</u>	<u>\$ (133,700)</u>	<u>\$ (133,700)</u>	<u>15,119</u>	<u>\$ 148,819</u>
Adjustments to generally accepted accounting principles basis								
2014 encumbrances			(144,161)				-	
2015 encumbrances			575,497				-	
Fund balances - beginning			<u>1,975,601</u>				<u>230,836</u>	
Fund balances - ending			<u>\$ 1,689,835</u>				<u>\$ 245,955</u>	

CITY OF FRANKLIN, WISCONSIN
Capital Projects Funds
Schedule of Revenue, Expenditures and Changes in Fund Balances -
Budget and Actual (on a Budgetary Basis)
Year Ended December 31, 2015

	Development Fund			Variance with final budget - Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
REVENUE				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	703,500	703,500	413,977	(289,523)
Investment earnings	106,966	106,966	63,882	(43,084)
Miscellaneous revenue	-	-	-	-
Total revenue	<u>810,466</u>	<u>810,466</u>	<u>477,859</u>	<u>(332,607)</u>
EXPENDITURES				
General Government	15,000	15,000	6,751	8,249
Capital outlay	-	-	-	-
Debt service - interest	-	-	-	-
Debt issuance costs	-	-	-	-
Total expenditures	<u>15,000</u>	<u>15,000</u>	<u>6,751</u>	<u>8,249</u>
Excess of revenue over expenditures	795,466	795,466	471,108	(324,358)
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(1,939,801)	(2,214,801)	(789,794)	1,425,007
General obligation debt issued	-	-	-	-
Net changes in fund balances	<u>\$ (1,144,335)</u>	<u>\$ (1,419,335)</u>	<u>(318,686)</u>	<u>\$ 1,100,649</u>
Adjustments to generally accepted accounting principles basis				
2014 encumbrances			-	
2015 encumbrances			-	
Fund balances - beginning			<u>4,170,339</u>	
Fund balances - ending			<u>\$ 3,851,653</u>	

CITY OF FRANKLIN, WISCONSIN
Fiduciary Funds
Combining Statement of Changes in Assets and Liabilities - Agency Funds
Year Ended December 31, 2015

PROPERTY TAX AGENCY FUND	12/31/14	Additions	Deductions	12/31/15
ASSETS				
Cash and investments	\$ 53,129,030	\$ 194,585,775	\$ 194,914,800	\$ 52,800,005
Receivables				
Taxes receivable	16,394,592	130,364,481	128,439,917	18,319,156
Accounts receivable	<u>-</u>	<u>1,224</u>	<u>-</u>	<u>1,224</u>
Total assets	<u>\$ 69,523,622</u>	<u>\$ 324,951,480</u>	<u>\$ 323,354,717</u>	<u>\$ 71,120,385</u>
LIABILITIES				
Accounts payable	\$ 204,415	\$ 97,108,154	\$ 97,149,419	\$ 163,150
Due to other governments	<u>69,319,207</u>	<u>71,130,548</u>	<u>69,492,520</u>	<u>70,957,235</u>
Total liabilities	<u>\$ 69,523,622</u>	<u>\$ 168,238,702</u>	<u>\$ 166,641,939</u>	<u>\$ 71,120,385</u>
OTHER AGENCY FUND				
ASSETS				
Cash and investments	\$ 7,064	\$ 28,959	\$ 31,546	\$ 4,477
Accounts receivable	<u>5,820</u>	<u>25,675</u>	<u>23,650</u>	<u>7,845</u>
Total assets	<u>\$ 12,884</u>	<u>\$ 54,634</u>	<u>\$ 55,196</u>	<u>\$ 12,322</u>
LIABILITIES				
Accounts payable	\$ 1,877	\$ 32,449	\$ 31,941	\$ 2,385
Special deposits	<u>11,007</u>	<u>31,821</u>	<u>32,891</u>	<u>9,937</u>
Total liabilities	<u>\$ 12,884</u>	<u>\$ 64,270</u>	<u>\$ 64,832</u>	<u>\$ 12,322</u>
TOTAL AGENCY FUNDS				
ASSETS				
Cash and investments	\$ 53,136,094	\$ 194,614,734	\$ 194,946,346	\$ 52,804,482
Receivables				
Taxes receivable	16,394,592	130,364,481	128,439,917	18,319,156
Accounts receivable	<u>5,820</u>	<u>26,899</u>	<u>23,650</u>	<u>9,069</u>
Total assets	<u>\$ 69,536,506</u>	<u>\$ 325,006,114</u>	<u>\$ 323,409,913</u>	<u>\$ 71,132,707</u>
LIABILITIES				
Accounts payable	\$ 206,292	\$ 97,140,603	\$ 97,181,360	\$ 165,535
Due to other governments	69,319,207	71,130,548	69,492,520	70,957,235
Special deposits	<u>11,007</u>	<u>31,821</u>	<u>32,891</u>	<u>9,937</u>
Total liabilities	<u>\$ 69,536,506</u>	<u>\$ 168,302,972</u>	<u>\$ 166,706,771</u>	<u>\$ 71,132,707</u>

CITY OF FRANKLIN, WISCONSIN
TIF Districts Fund
Combining Balance Sheet
December 31, 2015

	<u>District #3</u>	<u>District #4</u>	<u>Total</u>
ASSETS			
Cash and investments	\$ 2,652,399	\$ 99,784	\$ 2,752,183
Accounts receivable	44,061	-	44,061
Taxes receivable	<u>1,730,642</u>	<u>1,289,709</u>	<u>3,020,351</u>
Total assets	<u>\$ 4,427,102</u>	<u>\$ 1,389,493</u>	<u>\$ 5,816,595</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Long term advances	<u>\$ 1,700,000</u>	<u>\$ 238,000</u>	<u>\$ 1,938,000</u>
Total liabilities	<u>1,700,000</u>	<u>238,000</u>	<u>1,938,000</u>
DEFERRED INFLOWS OF RESOURCES			
Unearned revenue	<u>1,730,642</u>	<u>1,289,709</u>	<u>3,020,351</u>
FUND BALANCES (DEFICIT)			
Restricted:			
TIF #3	996,460	-	996,460
Unassigned (deficit)	<u>-</u>	<u>(138,216)</u>	<u>(138,216)</u>
Total fund balances (deficit)	<u>996,460</u>	<u>(138,216)</u>	<u>858,244</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 4,427,102</u>	<u>\$ 1,389,493</u>	<u>\$ 5,816,595</u>

CITY OF FRANKLIN, WISCONSIN
TIF Districts Fund
Schedule of TIF Districts Revenue, Expenditures
and Changes in Fund Balances
Year Ended December 31, 2015

	<u>District #3</u>	<u>District #4</u>	<u>Total</u>
REVENUE			
Taxes	\$ 1,681,577	\$ 1,101,081	\$ 2,782,658
Intergovernmental revenue	421,710	19,631	441,341
Investment earnings (loss)	7,426	404	7,830
Miscellaneous revenue	138,885	-	138,885
Total revenue	<u>2,249,598</u>	<u>1,121,116</u>	<u>3,370,714</u>
EXPENDITURES			
Current:			
General government	22,156	30,765	52,921
Public Works	313	-	313
Capital outlay	1,428,942	-	1,428,942
Debt service			
Principal	20,000	-	20,000
Interest and fiscal charges	129,705	14,695	144,400
Total expenditures	<u>1,601,116</u>	<u>45,460</u>	<u>1,646,576</u>
Excess (deficiency) of revenue over expenditures	648,482	1,075,656	1,724,138
Net change in fund balances	648,482	1,075,656	1,724,138
Fund balances (deficit) - beginning	<u>347,978</u>	<u>(1,213,872)</u>	<u>(865,894)</u>
Fund balances (deficit) - ending	<u>\$ 996,460</u>	<u>\$ (138,216)</u>	<u>\$ 858,244</u>

CITY OF FRANKLIN, WISCONSIN
Capital Assets Used in the Operation of Governmental Funds
Schedule by Source
December 31, 2015

Governmental funds capital assets:

Land	\$ 25,268,691
Buildings and improvements	24,880,902
Machinery and equipment	18,137,992
Infrastructure improvements	95,141,359
Construction in process	<u>1,180,903</u>

Total governmental funds capital assets \$ 164,609,847

Investment in governmental capital assets by source:

General Fund	\$ 806,569
Special Revenue Funds	3,225,442
Capital Projects Funds	89,743,813
Donations	<u>70,834,023</u>

Total governmental funds capital assets \$ 164,609,847

CITY OF FRANKLIN, WISCONSIN
Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
Year Ended December 31, 2015

Function and Activity	Land	Buildings and Improvements	Machinery and Equipment	Infrastructure Improvements	Construction In process	Total
General Government:						
Mayor	\$ -	\$ -	\$ 2,202	\$ -	\$ -	\$ 2,202
Aldermen	-	-	9,584	-	-	9,584
Municipal court	-	-	42,656	-	-	42,656
City clerk	-	-	21,416	-	-	21,416
Elections	-	-	24,610	-	-	24,610
Information services	-	-	518,281	-	-	518,281
Administration	-	-	261,310	-	-	261,310
Human resources	-	-	9,617	-	-	9,617
Finance	-	-	168,034	-	-	168,034
Assessor	-	-	46,080	-	-	46,080
Attorney	-	-	906	-	-	906
Municipal buildings	803,111	3,247,868	499,539	-	-	4,550,518
Total General Government	<u>803,111</u>	<u>3,247,868</u>	<u>1,604,235</u>	<u>-</u>	<u>-</u>	<u>5,655,214</u>
Public Safety:						
Police	1,201,829	8,418,912	3,128,944	-	-	12,749,685
Fire	112,013	4,226,242	3,601,884	-	-	7,940,139
Building inspection	-	-	273,105	-	-	273,105
Total Public Safety	<u>1,313,842</u>	<u>12,645,154</u>	<u>7,003,933</u>	<u>-</u>	<u>-</u>	<u>20,962,929</u>
Public Works:						
Engineering	-	-	362,888	-	-	362,888
Highway	357,407	2,737,523	5,513,172	-	-	8,608,102
Street Lighting	-	-	1,097	-	-	1,097
Infrastructure	18,049,576	-	-	95,141,359	-	113,190,935
Construction in process	-	-	-	-	1,180,903	1,180,903
Total Public Works	<u>18,406,983</u>	<u>2,737,523</u>	<u>5,877,157</u>	<u>95,141,359</u>	<u>1,180,903</u>	<u>123,343,925</u>
Health & Human Services:						
Health	-	-	138,640	-	-	138,640
Culture and Recreation:						
Library	16,769	4,927,456	2,842,877	-	-	7,787,102
Parks	4,727,986	1,322,901	584,797	-	-	6,635,684
Total Culture and Recreation	<u>4,744,755</u>	<u>6,250,357</u>	<u>3,427,674</u>	<u>-</u>	<u>-</u>	<u>14,422,786</u>
Conservation and Development:						
Community development	-	-	-	-	-	-
Planning	-	-	86,353	-	-	86,353
Total Conservation and Development	<u>-</u>	<u>-</u>	<u>86,353</u>	<u>-</u>	<u>-</u>	<u>86,353</u>
Total governmental funds capital assets	<u>\$ 25,268,691</u>	<u>\$ 24,880,902</u>	<u>\$ 18,137,992</u>	<u>\$ 95,141,359</u>	<u>\$ 1,180,903</u>	<u>\$ 164,609,847</u>

CITY OF FRANKLIN, WISCONSIN
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes by Function and Activity
Year Ended December 31, 2015

<u>Function and Activity</u>	<u>Governmental Funds Capital Assets</u>			
	<u>01/01/15</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/15</u>
General Government:				
Mayor	\$ 2,202	\$ -	\$ -	\$ 2,202
Aldermen	9,584	-	-	9,584
Municipal court	36,340	6,316	-	42,656
City clerk	10,042	11,374	-	21,416
Elections	36,352	18,138	29,880	24,610
Information services	504,170	14,111	-	518,281
Administration	258,471	2,839	-	261,310
Human resources	8,609	1,008	-	9,617
Finance	163,117	4,917	-	168,034
Assessor	46,080	-	-	46,080
Attorney	906	-	-	906
Municipal buildings	4,519,799	30,719	-	4,550,518
Total General Government	<u>5,595,672</u>	<u>89,422</u>	<u>29,880</u>	<u>5,655,214</u>
Public Safety:				
Police	12,653,191	126,863	30,369	12,749,685
Fire	7,846,987	246,395	153,243	7,940,139
Building inspection	272,540	565	-	273,105
Total Public Safety	<u>20,772,718</u>	<u>373,823</u>	<u>183,612</u>	<u>20,962,929</u>
Public Works:				
Engineering	347,933	14,954	-	362,887
Highway	8,567,068	265,545	224,510	8,608,103
Street lighting	1,097	-	-	1,097
Infrastructure	111,941,142	1,291,371	-	113,232,513
Construction in process	423,313	757,590	-	1,180,903
Total Public Works	<u>121,280,553</u>	<u>2,329,460</u>	<u>224,510</u>	<u>123,385,503</u>
Health & Human Services:				
Health	137,200	1,440	-	138,640
Culture and Recreation:				
Library	7,719,621	251,859	184,378	7,787,102
Parks	5,875,943	718,163	-	6,594,106
Total Culture and Recreation	<u>13,595,564</u>	<u>970,022</u>	<u>184,378</u>	<u>14,381,208</u>
Conservation and Development:				
Community development	-	-	-	-
City development	84,467	1,886	-	86,353
Total Conservation and Development	<u>84,467</u>	<u>1,886</u>	<u>-</u>	<u>86,353</u>
Total governmental funds capital assets	\$ 161,466,174	\$ 3,766,053	\$ 622,380	\$ 164,609,847

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STATISTICAL SECTION

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Statistical Section

This part of the City of Franklin's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the basic financial statements, note disclosures and required supplementary information says about the City's overall financial health.

Financial Trends

Table 1

These tables contain trend information to help the reader understand how the City's financial performance and well being have changed over time.

Revenue Capacity

Table 5

These tables contain trend information to help the reader assess the City's most significant local revenue source, the property tax.

Debt Capacity

Table 11

These tables present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information

Table 14

These tables offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information

Table 17

These tables contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these tables is derived from the Comprehensive Annual Financial Report for the relevant year. The City implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

CITY OF FRANKLIN, WISCONSIN
 Net Position by Component
 Last Ten Years
 (accrual basis of accounting)

	Fiscal Year										
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Governmental activities											
Net Investment in capital assets	\$ 107,184,603	\$ 106,031,877	\$ 104,721,982	\$ 104,097,426	\$ 94,637,222	\$ 88,776,271	\$ 84,178,261	\$ 71,753,307	\$ 72,970,238	\$ 58,402,113	\$ (1,368,021)
Restricted											
Debt service	482,773	580,605	722,710	535,337	4,076,267	3,050,470	2,263,238	8,550,662	12,588,371	4,204,277	1,708,141
Utility improvements	1,999,759	1,918,450	1,523,989	1,623,959	1,985,774	1,723,133	1,643,220	1,353,540	2,205,799	2,293,840	2,424,150
Development	3,851,653	4,170,339	5,052,168	4,614,731	3,895,040	3,620,826	3,051,562	3,083,708	2,643,952	3,484,891	2,853,329
Library	524,137	598,752	582,292	541,825	492,473	488,302	442,509	414,428	357,875	259,824	-
Donations and other	602,281	560,306	507,955	541,755	300,582	311,101	279,730	286,114	263,198	243,331	236,147
Unrestricted (deficit)	16,401,941	8,848,660	4,889,704	1,487,025	2,582,464	2,311,078	(2,085,981)	(791,175)	(11,099,755)	10,880,166	10,490,237
Total governmental activities net position	\$ 131,047,147	\$ 122,708,989	\$ 118,000,800	\$ 113,442,058	\$ 107,969,822	\$ 100,281,181	\$ 89,772,539	\$ 84,650,584	\$ 79,929,678	\$ 79,768,442	\$ 16,343,983
Business-type activities											
Net Investment in capital assets	\$ 88,862,066	\$ 88,567,257	\$ 89,095,184	\$ 89,398,082	\$ 89,550,594	\$ 90,202,124	\$ 90,828,559	\$ 90,842,486	\$ 90,242,854	\$ 88,299,652	\$ 85,098,937
Restricted											
Sewer equipment replacement	356,106	313,558	277,230	334,508	293,844	261,852	227,388	231,384	225,177	215,267	178,274
Unrestricted	2,853,368	4,015,630	3,017,842	2,518,834	3,171,123	2,763,610	2,875,722	2,309,236	2,342,349	2,255,577	2,380,429
Total business-type activities net position	\$ 92,071,540	\$ 92,896,445	\$ 92,390,256	\$ 92,251,424	\$ 93,015,561	\$ 93,227,586	\$ 93,931,669	\$ 93,383,106	\$ 92,810,380	\$ 90,770,496	\$ 87,657,640
Total											
Net Investment in capital assets	\$ 196,046,669	\$ 194,599,134	\$ 193,817,166	\$ 193,495,508	\$ 184,187,816	\$ 178,978,395	\$ 175,006,820	\$ 162,595,793	\$ 163,213,092	\$ 146,701,765	\$ 83,730,916
Restricted											
Debt service	482,773	580,605	722,710	535,337	4,076,267	3,050,470	2,263,238	8,550,662	12,588,371	4,204,277	1,708,141
Utility improvements	1,999,759	1,918,450	1,523,989	1,623,959	1,985,774	1,723,133	1,643,220	1,353,540	2,205,799	2,293,840	2,424,150
Development	3,851,653	4,170,339	5,052,168	4,614,731	3,895,040	3,620,826	3,051,562	3,083,708	2,643,952	3,484,891	2,853,329
TIF Districts	524,137	598,752	582,292	541,825	492,473	488,302	442,509	414,428	357,875	259,824	-
Donations and grants	602,281	560,306	507,955	541,755	300,582	311,101	279,730	286,114	263,198	243,331	236,147
Sewer replacement	356,106	313,558	277,230	334,508	293,844	261,852	227,388	231,384	225,177	215,267	178,274
Unrestricted	19,255,309	12,864,290	7,907,546	4,005,859	5,753,587	5,074,688	789,741	1,518,061	(8,757,406)	13,135,743	12,870,666
Total net position	\$ 223,118,687	\$ 215,605,434	\$ 210,391,056	\$ 205,693,482	\$ 200,985,383	\$ 193,508,767	\$ 183,704,208	\$ 178,033,690	\$ 172,740,058	\$ 170,538,938	\$ 104,001,623

Notes:

* 2012 and prior years have been reclassified to be consistent with the current year presentation

CITY OF FRANKLIN, WISCONSIN
Changes in Net Position, Last Ten Years
(accrual basis of accounting)

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Expenses										
Governmental activities:										
General government	\$ 2,990,355	\$ 2,919,940	\$ 2,915,267	\$ 2,794,497	\$ 2,749,207	\$ 2,897,491	\$ 2,948,713	\$ 3,028,903	\$ 2,769,041	\$ 2,730,575
Public safety	16,959,091	16,194,631	16,484,847	17,228,769	16,622,386	16,003,898	15,526,031	15,598,642	14,387,891	13,987,313
Public works	8,304,583	7,231,238	6,550,808	6,182,036	6,596,316	6,208,391	6,034,720	6,900,408	6,800,767	4,709,613
Health and human services	726,000	673,332	698,088	730,499	649,656	698,944	708,084	663,262	630,002	572,091
Culture and recreation	1,969,297	1,865,832	1,838,700	1,870,573	1,890,350	1,919,689	1,753,139	1,803,155	1,766,274	1,873,815
Conservation and development	576,421	459,884	422,095	412,066	957,877	529,833	600,099	718,032	6,591,661	634,983
Interest on long term debt	405,022	582,211	802,562	1,272,721	1,553,257	1,920,023	2,253,215	2,654,969	2,705,294	2,574,761
Total governmental activities expenses	<u>31,930,769</u>	<u>29,927,068</u>	<u>29,712,367</u>	<u>30,491,161</u>	<u>31,019,049</u>	<u>30,178,269</u>	<u>29,824,001</u>	<u>31,367,371</u>	<u>35,650,930</u>	<u>27,083,151</u>
Business-type activities										
Water	5,766,088	5,077,744	5,051,835	5,064,149	4,251,187	4,076,409	4,216,453	3,928,578	3,620,524	3,342,925
Sewer	4,148,420	4,180,946	4,133,632	3,640,106	3,373,459	3,376,505	3,226,261	3,069,523	2,640,092	2,603,652
Total business-type activities expenses	<u>9,914,508</u>	<u>9,258,690</u>	<u>9,185,467</u>	<u>8,704,255</u>	<u>7,624,646</u>	<u>7,452,914</u>	<u>7,442,714</u>	<u>6,998,101</u>	<u>6,260,616</u>	<u>5,946,577</u>
Total expenses	<u>\$ 41,845,277</u>	<u>\$ 39,185,758</u>	<u>\$ 38,897,834</u>	<u>\$ 39,195,416</u>	<u>\$ 38,643,695</u>	<u>\$ 37,631,183</u>	<u>\$ 37,266,715</u>	<u>\$ 38,365,472</u>	<u>\$ 41,911,546</u>	<u>\$ 33,029,728</u>
Program Revenue										
Governmental activities:										
Charges for services:										
General government	\$ 150,787	\$ 213,328	\$ 251,573	\$ 163,947	\$ 217,360	\$ 270,412	\$ 305,232	\$ 210,433	\$ 226,496	\$ 145,072
Public safety	2,362,176	2,268,334	2,459,946	2,226,209	2,173,060	2,154,618	2,068,413	2,267,580	2,473,830	2,784,237
Public works	2,719,888	1,470,630	1,234,601	1,271,133	1,490,348	1,230,437	660,670	739,948	1,071,513	1,497,290
Health and human services	164,674	115,650	118,702	126,516	105,686	54,385	69,855	86,439	89,853	62,339
Culture and recreation	146,594	118,008	113,217	45,992	181,414	311,757	146,256	143,797	138,793	237,278
Conservation and development	152,588	51,917	63,366	73,530	78,667	64,168	67,051	305,299	127,711	138,411
Operating grants and contributions	1,809,520	1,901,262	1,838,950	2,144,164	2,136,106	1,921,805	2,080,213	2,285,275	2,957,937	2,015,885
Capital grants and contributions	1,144,757	1,437,524	1,659,859	1,240,439	1,334,285	2,570,564	1,190,090	1,735,333	2,753,612	4,890,241
Total governmental activities program revenue	<u>8,650,984</u>	<u>7,576,653</u>	<u>7,740,214</u>	<u>7,291,930</u>	<u>7,716,926</u>	<u>8,578,146</u>	<u>6,587,780</u>	<u>7,774,104</u>	<u>9,839,745</u>	<u>11,770,753</u>
Business-type activities										
Charges for services:										
Water	5,609,928	5,421,719	5,403,994	5,361,646	4,539,066	4,395,269	4,454,495	4,218,653	3,926,626	3,585,661
Sewer	3,340,382	3,266,897	3,243,737	3,142,062	3,124,786	3,062,486	2,994,024	2,706,583	2,029,447	1,866,703
Capital grants and contributions	566,251	238,557	-	-	-	210,668	337,667	734,367	1,629,536	1,477,041
Total business-type activities program revenue	<u>9,516,561</u>	<u>8,927,173</u>	<u>8,647,731</u>	<u>8,503,708</u>	<u>7,663,852</u>	<u>7,668,423</u>	<u>7,786,186</u>	<u>7,659,603</u>	<u>7,585,609</u>	<u>6,929,405</u>
Total program revenue	<u>\$ 18,167,545</u>	<u>\$ 16,503,826</u>	<u>\$ 16,387,945</u>	<u>\$ 15,795,638</u>	<u>\$ 15,380,778</u>	<u>\$ 16,246,569</u>	<u>\$ 14,373,966</u>	<u>\$ 15,433,707</u>	<u>\$ 17,425,354</u>	<u>\$ 18,700,158</u>

CITY OF FRANKLIN, WISCONSIN
Changes in Net Position, Last Ten Years
(accrual basis of accounting)

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Net (Expense)/Revenue										
Governmental activities	\$ (23,279,785)	\$ (22,350,415)	\$ (21,972,153)	\$ (23,199,231)	\$ (23,302,123)	\$ (21,600,123)	\$ (23,236,221)	\$ (23,593,267)	\$ (25,811,185)	\$ (15,312,398)
Business-type activities	<u>(397,947)</u>	<u>(331,517)</u>	<u>(537,736)</u>	<u>(200,547)</u>	<u>39,206</u>	<u>215,509</u>	<u>343,472</u>	<u>661,502</u>	<u>1,324,993</u>	<u>982,828</u>
Total net expense	<u>\$ (23,677,732)</u>	<u>\$ (22,681,932)</u>	<u>\$ (22,509,889)</u>	<u>\$ (23,399,778)</u>	<u>\$ (23,262,917)</u>	<u>\$ (21,384,614)</u>	<u>\$ (22,892,749)</u>	<u>\$ (22,931,765)</u>	<u>\$ (24,486,192)</u>	<u>\$ (14,329,570)</u>
General Revenue and other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes	\$ 19,022,087	\$ 20,073,959	\$ 20,037,681	\$ 19,841,883	\$ 19,058,282	\$ 18,523,570	\$ 18,237,375	\$ 17,534,150	\$ 16,404,257	\$ 15,350,390
Property taxes levied for debt service	1,600,000	1,600,000	1,650,000	1,750,000	1,900,000	1,900,000	1,900,000	2,000,000	2,110,000	2,210,000
Property taxes levied for TIF Districts	2,690,637	2,526,925	2,410,131	2,560,324	5,645,805	7,457,955	4,829,216	4,685,811	3,127,116	2,860,368
Other taxes	785,195	726,774	723,985	708,832	673,736	699,431	666,767	472,575	429,674	419,168
Intergovernmental revenue not restricted to specific programs	1,804,045	1,519,848	1,620,331	1,590,209	2,292,529	1,485,982	1,380,418	1,320,286	1,461,840	1,334,594
Investment earnings	411,650	695,541	87,278	784,932	973,349	907,723	1,401,560	1,862,688	2,547,179	2,531,912
Miscellaneous revenue	48,685	43,170	66,191	394,032	40,091	58,885	43,566	14,451	452,613	77,294
Gain on sale of capital assets	13,106	16,988	2,024	32,129	58,871	64,070	-	-	-	-
Transfers	<u>1,044,459</u>	<u>(144,601)</u>	<u>(66,726)</u>	<u>1,009,126</u>	<u>348,101</u>	<u>1,011,149</u>	<u>(100,726)</u>	<u>424,212</u>	<u>(560,258)</u>	<u>(1,970,735)</u>
Total governmental activities	<u>27,419,864</u>	<u>27,058,604</u>	<u>26,530,895</u>	<u>28,671,467</u>	<u>30,990,764</u>	<u>32,108,765</u>	<u>28,358,176</u>	<u>28,314,173</u>	<u>25,972,421</u>	<u>22,812,991</u>
Business-type activities:										
Investment earnings	593,128	642,227	569,444	318,669	32,320	41,393	46,738	67,617	113,197	112,453
Miscellaneous revenue	73,601	50,878	40,398	126,867	64,550	50,164	57,627	267,819	41,436	46,840
Transfers	<u>(1,044,459)</u>	<u>144,601</u>	<u>66,726</u>	<u>(1,009,126)</u>	<u>(348,101)</u>	<u>(1,011,149)</u>	<u>100,726</u>	<u>(424,212)</u>	<u>560,258</u>	<u>1,970,735</u>
Total business-type activities	<u>(377,730)</u>	<u>837,706</u>	<u>676,568</u>	<u>(563,590)</u>	<u>(251,231)</u>	<u>(919,592)</u>	<u>205,091</u>	<u>(88,776)</u>	<u>714,891</u>	<u>2,130,028</u>
Total	<u>\$ 27,042,134</u>	<u>\$ 27,896,310</u>	<u>\$ 27,207,463</u>	<u>\$ 28,107,877</u>	<u>\$ 30,739,533</u>	<u>\$ 31,189,173</u>	<u>\$ 28,563,267</u>	<u>\$ 28,225,397</u>	<u>\$ 26,687,312</u>	<u>\$ 24,943,019</u>
Change in Net Position										
Governmental activities	\$ 4,140,079	\$ 4,708,189	\$ 4,558,742	\$ 5,472,236	\$ 7,688,641	\$ 10,508,642	\$ 5,121,955	\$ 4,720,906	\$ 161,236	\$ 7,500,593
Business-type activities:	<u>(775,677)</u>	<u>506,189</u>	<u>138,832</u>	<u>(764,137)</u>	<u>(212,025)</u>	<u>(704,083)</u>	<u>548,563</u>	<u>572,726</u>	<u>2,039,884</u>	<u>3,112,856</u>
Total	<u>\$ 3,364,402</u>	<u>\$ 5,214,378</u>	<u>\$ 4,697,574</u>	<u>\$ 4,708,099</u>	<u>\$ 7,476,616</u>	<u>\$ 9,804,559</u>	<u>\$ 5,670,518</u>	<u>\$ 5,293,632</u>	<u>\$ 2,201,120</u>	<u>\$ 10,613,449</u>

CITY OF FRANKLIN, WISCONSIN
Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)

	Fiscal Year									
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
General Fund				*						
Nonspendable:										
Inventories and prepaid items	\$ 41,186	\$ 78,455	\$ 45,866	\$ 62,936	\$ 55,820	\$ 75,673	\$ 24,927	\$ 25,109	\$ 24,990	\$ 31,870
Advances to other funds	2,198,616	2,198,616	505,040	-	-	-	-	-	1,000,000	700,000
Assigned	147,121	207,270	-	-	-	-	-	-	-	-
Unassigned	<u>6,662,986</u>	<u>6,148,771</u>	<u>7,230,661</u>	<u>6,439,199</u>	<u>6,065,053</u>	<u>5,400,912</u>	<u>5,079,711</u>	<u>5,519,932</u>	<u>4,910,492</u>	<u>6,289,964</u>
Total general fund	<u>9,049,909</u>	<u>8,633,112</u>	<u>7,781,567</u>	<u>6,502,135</u>	<u>6,120,873</u>	<u>5,476,585</u>	<u>5,104,638</u>	<u>5,545,041</u>	<u>5,935,482</u>	<u>7,021,834</u>
All other governmental funds:										
Nonspendable:										
Prepays	730	900	2,475	21,800	10,313	10,181	15,707	-	-	4,100
Restricted:										
Debt service	507,283	546,238	6,801,945	7,423,733	7,876,755	8,393,278	8,845,900	12,091,660	12,240,785	3,466,738
Utility improvements	907,003	672,431	443,438	543,408	640,787	356,798	147,317	12,640	380,961	478,801
Development	3,851,653	4,170,339	5,052,168	4,614,731	7,633,040	6,408,826	5,869,562	9,383,708	14,100,000	10,413,660
TIF Districts	996,460	347,978	-	-	552,904	1,804,838	536,476	184,257	-	-
Donations	133,678	122,550	102,326	105,238	299,982	311,101	279,730	286,114	263,198	243,331
Health services	160,003	175,220	165,846	179,239	-	-	-	-	-	-
Library services	523,237	596,277	579,817	520,775	492,473	488,302	442,509	414,428	357,875	259,824
Solid waste	260,944	216,385	188,307	100,546	-	-	-	-	-	-
Recreational services	47,656	46,151	51,476	52,244	72,857	179,224	165,348	132,206	1,206,529	294,820
Assigned:										
Purchases on order	-	-	-	-	-	-	-	-	-	-
Capital projects	4,906,594	4,699,459	2,791,111	2,724,764	2,372,072	2,710,245	1,378,971	3,640,970	1,777,308	6,121,828
Unassigned	<u>(150,927)</u>	<u>(2,196,383)</u>	<u>(5,180,799)</u>	<u>(5,965,890)</u>	<u>(3,663,211)</u>	<u>(4,009,430)</u>	<u>(5,904,216)</u>	<u>(5,891,813)</u>	<u>(14,651,138)</u>	<u>(4,569,471)</u>
Total all other government funds	<u>12,144,314</u>	<u>9,397,545</u>	<u>10,998,110</u>	<u>10,320,588</u>	<u>16,287,972</u>	<u>16,653,363</u>	<u>11,777,304</u>	<u>20,254,170</u>	<u>15,675,518</u>	<u>16,713,631</u>
Total fund balances	<u>\$ 21,194,223</u>	<u>\$ 18,030,657</u>	<u>\$ 18,779,677</u>	<u>\$ 16,822,723</u>	<u>\$ 22,408,845</u>	<u>\$ 22,129,948</u>	<u>\$ 16,881,942</u>	<u>\$ 25,799,211</u>	<u>\$ 21,611,000</u>	<u>\$ 23,735,465</u>

Notes:

* 2012 and prior years have been reclassified to be consistent with the current year presentation

CITY OF FRANKLIN, WISCONSIN
 Changes in Fund Balances, Governmental Funds
 Last Ten Years
 (modified accrual basis of accounting)

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Revenue										
Taxes	\$ 24,097,919	\$ 24,927,658	\$ 24,821,797	\$ 24,861,039	\$ 27,277,823	\$ 28,580,956	\$ 25,633,358	\$ 24,692,536	\$ 22,071,047	\$ 20,839,926
Intergovernmental revenue	3,490,037	3,408,075	3,438,041	3,757,618	4,380,850	3,704,159	3,299,648	3,536,635	4,269,969	3,088,814
Licenses and permits	706,977	808,302	912,357	755,027	702,674	729,432	609,278	723,225	978,942	1,386,588
Fines, forfeitures and penalties	484,957	421,976	411,795	457,499	433,106	422,506	385,427	362,928	392,451	332,090
Public charges for services	4,065,334	2,631,811	2,637,607	2,466,600	2,589,786	2,211,119	1,600,313	1,908,473	1,998,696	2,160,144
Special assessments	642,256	1,057,088	1,483,350	1,236,114	1,305,578	1,119,230	817,736	1,114,498	1,581,962	3,688,746
Intergovernmental charges for services	192,188	136,372	162,308	103,615	245,000	237,319	291,584	206,156	426,387	574,835
Investment earnings	426,018	739,930	223,806	661,976	938,226	878,978	1,276,600	1,797,738	2,513,703	2,504,185
Miscellaneous revenue	419,464	411,301	288,465	674,305	365,129	597,611	635,424	723,724	934,141	752,207
Total revenue	34,525,150	34,542,513	34,379,526	34,973,793	38,238,172	38,481,310	34,549,368	35,065,913	35,167,298	35,327,535
Expenditures										
Current										
General government	2,783,745	2,786,740	2,710,650	2,631,419	2,596,581	2,694,374	2,780,444	2,825,835	2,609,731	2,487,071
Public safety	16,006,187	15,390,139	15,465,617	16,429,496	16,000,393	15,206,317	15,043,628	15,236,640	13,856,032	13,239,602
Public works	4,587,108	5,140,650	4,855,870	4,848,568	4,817,644	4,521,991	4,504,611	4,632,957	4,110,460	4,039,438
Health and human services	716,169	666,475	668,711	719,447	681,984	629,499	701,821	666,364	631,887	572,918
Culture, recreation and education	1,606,027	1,575,381	1,514,668	1,539,040	1,575,825	1,565,093	1,427,945	1,490,936	1,436,987	1,568,591
Conservation and development	568,364	461,181	416,765	409,996	964,610	524,705	603,961	729,274	6,587,035	628,634
Capital outlay	5,097,046	3,967,446	3,172,706	2,915,159	3,343,196	1,953,999	6,061,625	7,627,455	10,931,589	8,882,837
Debt service										
Principal	615,000	10,265,000	3,790,000	10,825,000	7,395,000	5,275,000	10,915,000	6,000,000	5,170,000	4,050,000
Interest	460,072	731,288	1,033,519	1,334,958	1,618,615	1,939,762	2,350,882	2,543,194	2,584,080	2,838,291
Debt issuance costs	-	73,091	-	-	-	-	-	65,650	130,602	35,700
Total expenditures	32,439,718	41,057,391	33,628,506	41,653,083	38,993,848	34,310,740	44,389,917	41,818,305	48,048,403	38,343,082
Excess of revenue over (under) expenditures	2,085,432	(6,514,878)	751,020	(6,679,290)	(755,676)	4,170,570	(9,840,549)	(6,752,392)	(12,881,105)	(3,015,547)
Other financing sources (uses)										
Debt issued	-	5,320,000	-	-	-	-	-	10,000,000	10,000,000	10,000,000
Refunding debt issued	-	-	-	-	-	-	-	-	9,925,000	-
Premium on debt issued	-	232,827	-	-	-	-	-	83,583	34,970	176,524
Payment to refunding escrow agent	-	-	-	-	-	-	-	-	(10,040,675)	-
Principal payment on current refunding	-	-	-	-	-	-	-	-	-	(9,770,000)
Sale of capital assets	33,675	39,894	75,559	32,129	58,871	64,070	-	-	-	-
Transfers in	1,044,459	2,125,007	2,769,157	2,398,454	2,415,916	1,389,654	2,229,036	5,786,181	6,237,805	3,957,696
Transfers out	-	(1,951,870)	(1,638,782)	(1,337,416)	(1,440,214)	(376,288)	(1,305,756)	(4,929,161)	(5,400,460)	(3,180,358)
Net change in fund balances	\$ 3,163,566	\$ (749,020)	\$ 1,956,954	\$ (5,586,123)	\$ 278,897	\$ 5,248,006	\$ (8,917,269)	\$ 4,188,211	\$ (2,124,465)	\$ (1,831,685)
Debt service as a percentage of non capital expenditures *	3.6%	29.6%	15.1%	30.9%	24.6%	22.2%	33.4%	24.0%	19.7%	21.0%

CITY OF FRANKLIN, WISCONSIN
 Assessed Value and Estimated Actual Value of Taxable Property
 Last Ten Years

Value As of 1/1	Real property		Personal property		Total Assessed Value	Total Direct Tax Rate	Total Estimated Actual Value	Ratio of Assessed to Estimated Value
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value				
2015	\$ 3,320,368,500	\$ 3,558,087,200	\$ 76,174,600	\$ 91,098,700	\$ 3,396,543,100	\$ 6.22	\$ 3,649,185,900	92.74%
2014	3,279,586,200	3,498,464,700	85,006,600	91,229,400	3,364,592,800	6.28	3,589,694,100	93.73%
2013 #	3,265,704,200	3,314,653,800	94,023,900	99,622,800	3,359,728,100	6.29	3,414,276,600	98.40%
2012	3,557,806,088	3,436,681,800	95,404,700	87,424,100	3,653,210,788	5.78	3,524,105,900	103.66%
2011 *	3,555,065,388	3,587,535,800	90,644,700	88,843,900	3,645,710,088	5.79	3,676,379,700	99.17%
2010	3,550,822,488	3,573,233,300	93,921,500	97,275,400	3,644,743,988	6.22	3,670,508,700	99.30%
2009	3,671,323,540	3,820,400,500	90,861,600	92,242,100	3,762,185,140	5.93	3,912,642,600	96.15%
2008	3,621,224,940	3,821,063,800	75,804,600	77,323,500	3,697,029,540	5.78	3,898,387,300	94.83%
2007	3,510,260,140	3,614,744,300	71,027,000	74,310,100	3,581,287,140	5.79	3,689,054,400	97.08%
2006 *	3,384,763,640	3,406,252,800	75,577,300	75,506,900	3,460,340,940	5.58	3,481,759,700	99.38%

* Reassessment year

Revaluation year

Assessed Valuation by School District - 2015

	Franklin School District	Oak Creek/ Franklin School District	Whitnall School District	Total Assessed Value
Total	\$ 2,513,289,000	\$ 678,934,000	\$ 204,320,100	\$ 3,396,543,100

Note: Assessed values are determined by the City and the Wisconsin Department of Revenue. Estimated actual values were obtained from the Wisconsin Department of Revenue and include Wisconsin Section 70.57 adjustments. Taxes collected are used in the following year's City operations.

CITY OF FRANKLIN, WISCONSIN
 Estimated Actual Property Value and Construction Data
 Last Ten Years

Fiscal Year	(1)					(2)		(2)	
	Estimate Actual Property value					Residential Construction		Nonresidential Construction	
	Residential	% of Total	Commercial and Manufacturing	Agricultural, Swamp and Other	Total	# of Units	Value	# of Permits	Value
2015	\$ 2,628,835,800	73.9%	\$ 905,420,400	\$ 23,831,000	\$ 3,558,087,200	34	\$ 13,454,139	44	\$ 16,589,580
2014	2,580,859,500	73.8%	894,256,900	23,348,300	3,498,464,700	44	14,780,900	68	19,734,951
2013	2,418,991,400	73.0%	871,715,000	23,947,400	3,314,653,800	65	19,942,795	17	2,902,692
2012	2,498,514,100	72.7%	914,654,100	23,513,600	3,436,681,800	55	19,322,659	44	27,991,474
2011	2,619,125,600	73.0%	948,708,000	19,702,200	3,587,535,800	30	9,995,820	41	17,794,034
2010	2,637,514,100	73.8%	917,720,700	17,998,500	3,573,233,300	27	6,559,696	40	22,533,497
2009	2,774,343,200	72.6%	1,026,852,400	19,204,900	3,820,400,500	25	6,709,653	35	14,193,522
2008	2,862,287,800	74.9%	939,436,600	19,339,400	3,821,063,800	52	11,030,933	61	28,323,674
2007	2,751,324,400	76.1%	844,563,800	18,856,100	3,614,744,300	99	20,017,954	49	39,920,210
2006	2,611,111,600	76.7%	769,933,200	25,208,000	3,406,252,800	308	55,690,187	91	116,376,447

(1) Estimated actual values from the Wisconsin Department of Revenue

(2) Source: City's Building Inspection Department.

CITY OF FRANKLIN, WISCONSIN
 Direct and Overlapping Property Tax Rates
 Last Ten Years
 (rate per \$1,000 of assessed value)

Budget Year	City of Franklin Direct Rates							Overlapping Rates								(**) Total Rate
	City of Franklin Direct Rates							School Districts			Milwaukee Area		Milwaukee Metropolitan		State	
	General	Library	Debt Service	Capital Outlay	Equipment Replacement	Street Improvement	Total	Franklin	Oak Creek	Whitnall	School Credits	Technical College	Milwaukee County	Sewerage District		
2016	\$ 4.93	\$ 0.39	\$ 0.45	\$ 0.13	\$ 0.10	\$ 0.21	\$ 6.22	\$ 13.29	\$ 10.57	\$ 10.88	\$ (2.14)	\$ 1.78	\$ 3.95	\$ 1.31	\$ 0.17	24.58
2015	4.96	0.38	0.49	0.13	0.10	0.21	6.28	13.21	9.76	11.11	(1.88)	1.36	5.44	1.83	0.18	26.42
2014 #	4.98	0.38	0.49	0.13	0.10	0.21	6.29	13.26	9.10	10.67	(1.86)	2.16	5.21	1.73	0.17	26.97
2013	4.60	0.35	0.47	0.11	0.08	0.17	5.78	11.72	9.09	9.72	(1.69)	2.04	4.87	1.57	0.16	24.45
2012	4.59	0.35	0.49	0.11	0.08	0.17	5.79	11.62	8.83	9.56	(1.70)	1.96	4.76	1.52	0.17	24.12
2011 *	5.04	0.35	0.56	0.11	0.04	0.12	6.22	12.22	8.69	10.40	(1.72)	1.93	4.49	1.45	0.17	24.76
2010	4.61	0.33	0.54	0.14	0.08	0.23	5.93	11.33	8.86	10.11	(1.67)	1.98	4.31	1.38	0.18	23.44
2009	4.46	0.33	0.55	0.13	0.08	0.23	5.78	10.96	7.80	9.65	(1.68)	1.93	4.17	1.36	0.18	22.70
2008	4.34	0.34	0.59	0.14	0.10	0.28	5.79	10.98	7.85	9.40	(1.52)	1.82	4.01	1.32	0.18	22.58
2007 *	4.10	0.34	0.64	0.13	0.09	0.28	5.58	10.05	6.95	9.15	(1.38)	1.78	3.95	1.31	0.17	21.46

Note: * Reassessment impact

Revaluation year

** The City has three tax rates dependent upon a property's sewer status and the school district the property is located. The total is shown for only the largest school district (Franklin). See Table 5 for assessed values by School and Sewerage District.

The Budget year is the year following the fiscal year in which the taxes are levied.

Source: City of Franklin budget documents

Table 8

CITY OF FRANKLIN, WISCONSIN
 Principal Property Taxpayers
 Current Year and Nine Years Ago

Taxpayer	Type of Business	2015			2006		
		Taxable Assessed Value	Rank	Percent of Total Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percent of Total Taxable Assessed Valuation
Northwestern Mutual	Insurance Services	\$ 120,097,400	1	3.54%	\$ 81,698,400	1	2.36%
Wal-Mart	Retailer	27,712,000	2	0.82%	19,187,400	5	0.55%
Wheaton Health Care System	Medical facilities	26,462,200	3	0.78%			
VTLC Development	Packaging manufacturing	26,447,000	4	0.78%			
Whitnall Pointe Apartments	Apartments	20,224,900	5	0.60%	20,329,800	2	0.59%
Manchester Oaks	Apartments	19,362,900	6	0.57%	19,249,100	4	0.56%
Baptista's Bakery, Inc	Manufacturing	14,683,100	7	0.43%			
Menard Inc	Retail - Home Improvement	13,438,000	8	0.40%	15,366,500	8	0.44%
HTA - Wisconsin Mob 2 LLC	Medical facilities	12,880,300	9	0.38%			
Franklin Wyndham, LLC	Land held for Development	12,800,000	10	0.38%			
Waste Management	Landfill and refuse collection				19,920,000	3	0.58%
Harley Davidson	Motorcycle manufacturing				15,870,500	6	0.46%
Mission Hills Apts	Apartments				15,820,200	7	0.46%
Lowe's	Retail - Home Improvement				13,183,600	9	0.38%
All Glass Aquarium	Aquariums and fluorescent lights				13,080,300	10	0.38%
		<u>\$ 294,107,800</u>		8.68%	<u>\$ 233,705,800</u>		6.76%

Source: City of Franklin Assessor's Office

CITY OF FRANKLIN, WISCONSIN
Property Tax Levies and Collections
Last Ten Years

Fiscal Year	City Tax levy			Total collections	% of levy collected	Outstanding combined delinquent PP taxes
	Tax increment financing	Local	Total			
2015	\$ 2,690,637	\$ 20,509,000	\$ 23,199,637	\$ 23,212,140	100.05%	\$ 57,995
2014	2,526,924	20,509,000	23,035,924	23,016,525	99.92%	52,069
2013	2,363,758	20,509,000	22,872,758	22,851,675	99.91%	52,481
2012	2,560,324	20,467,000	23,027,324	22,981,469	99.80%	75,184
2011	6,737,305	20,965,000	27,702,305	27,695,587	99.98%	53,589
2010	7,457,956	20,426,000	27,883,956	27,851,459	99.88%	39,718
2009	4,829,216	20,142,000	24,971,216	24,966,369	99.98%	36,945
2008	4,685,811	19,555,000	24,240,811	24,219,148	99.91%	45,243
2007	3,127,116	18,501,000	21,628,116	21,641,373	100.06%	27,424
2006	2,860,368	17,566,000	20,426,368	20,420,758	99.97%	42,150

Source: City of Franklin

Notes: Collections in subsequent years are not shown because Milwaukee County annually purchases all of the City's outstanding delinquent real estate taxes. Payment for the real estate taxes are received by the City every August pursuant to the County's settlement procedures. Outstanding delinquent taxes represent personal property taxes which the City attempts further collection until March of the following year. At that time the balances are charged back to each of the taxing jurisdictions in proportion to the amounts levied. Subsequent collections are insignificant and refunded to all taxing jurisdictions in relation to the amounts originally levied.

Total collections may be greater than or less than the total levy in any year due to changes in outstanding delinquent taxes, collection of prior year omitted taxes and Wisconsin Section 70.43 corrections.

CITY OF FRANKLIN, WISCONSIN
 Property Tax Levies by Tax Jurisdiction
 Last Ten Years

Levy Year	State of Wisconsin	Milwaukee County	School Districts			MATC	MMSD	City of Franklin			Total
			Franklin	Whitnall	Oak Creek-Franklin			Local	Tax Increment	Special Charges	
2015	\$ 619,289	\$ 18,083,210	\$ 33,404,871	\$ 2,223,327	\$ 5,928,300	\$ 4,428,322	\$ 6,145,125	\$ 20,509,000	\$ 3,020,350	\$ 1,727,974	\$ 96,089,767
2014	609,193	17,713,835	32,782,988	2,285,650	5,557,471	4,411,951	5,955,818	20,509,000	2,690,638	1,767,143	94,283,685
2013	579,423	16,986,670	32,784,606	2,174,991	5,254,726	7,043,487	5,638,269	20,509,000	2,526,924	1,796,214	95,294,310
2012	598,062	17,287,141	31,787,042	2,237,434	5,553,401	7,258,001	5,582,906	20,509,000	2,363,758	1,799,510	94,976,255
2011	623,904	16,812,497	31,435,718	2,208,503	5,268,377	6,934,559	5,188,886	20,467,000	2,560,324	1,900,389	93,400,157
2010	622,907	15,112,830	31,535,755	2,404,637	4,816,333	6,512,551	4,718,481	20,965,000	6,737,305	758,894	94,184,693
2009	664,000	14,854,113	30,632,223	2,424,105	4,403,920	6,842,077	4,574,057	20,426,000	7,457,956	818,455	93,096,906
2008	661,580	14,548,992	29,476,874	2,312,202	4,264,165	6,742,019	4,575,710	20,142,000	4,829,216	738,020	88,290,778
2007	626,055	13,522,407	28,554,442	2,249,175	4,192,123	6,161,570	4,299,178	19,555,000	4,685,811	669,010	84,514,771
2006	611,435	13,093,014	25,574,810	2,178,490	3,703,359	5,905,586	4,175,609	18,501,000	3,127,116	680,126	77,550,545

Source: State of Wisconsin Department of Revenue Statement of Taxes.

Note: Each taxing jurisdiction above submits to the City of Franklin their approved tax levy in November of the levy year for use in the following year. The City of Franklin totals the levy requests, produces tax bills for all taxable properties, collects amounts billed and remits collections to the tax jurisdictions in accordance with Wisconsin Statutes.

CITY OF FRANKLIN, WISCONSIN
Ratios of Net General Bonded Debt Outstanding
Last Ten Years

Fiscal Year	General Bonded Debt						Total General Bonded Debt	Less Debt Service Fund Balances	Less Amounts due from Tax Incremental Financing Districts	Less Amounts due from Other Taxing Districts	Net General Bonded Debt	(1) Percent of Estimated Actual Property Value	(2) Percent of Personal Income	(2) Per Capita
	Governmental			Business-type										
	General Obligation Bonds	General Obligation Notes	Lease Revenue Bonds	Sewer General Obligation Notes	Water General Obligation Bonds	(Discount) Premium								
2015	\$ 7,095,000	\$ 5,225,000	\$ -	\$ 22,357,276	\$ 1,235,000	\$ 203,902	\$ 36,116,178	\$ (507,283)	\$ (3,310,000)	\$ (22,357,276)	\$ 9,941,619	1.02%	N/A	1,013
2014	7,615,000	5,320,000	-	23,486,522	1,290,000	252,273	37,963,795	424,721	(3,330,000)	(23,486,522)	11,571,994	1.09%	3.03%	1,063
2013	8,185,000	9,695,000	-	24,565,423	-	21,387	42,466,810	1,491,385	(9,695,000)	(24,565,423)	9,697,772	1.28%	3.54%	1,186
2012	8,805,000	12,865,000	-	22,064,833	-	-	43,734,833	2,553,267	(12,865,000)	(22,064,833)	11,358,267	1.27%	3.59%	1,231
2011	9,525,000	22,970,000	-	-	-	-	32,495,000	(4,094,755)	(15,520,000)	-	12,880,245	0.91%	2.96%	915
2010	9,730,000	30,160,000	-	-	-	-	39,890,000	(3,021,278)	(21,860,000)	-	15,008,722	1.12%	3.67%	1,125
2009	9,880,000	35,285,000	-	-	-	-	45,165,000	(2,078,900)	(26,285,000)	-	16,801,100	1.18%	4.34%	1,340
2008	10,030,000	46,050,000	-	-	-	-	56,080,000	(8,339,240)	(29,400,000)	-	18,340,760	1.47%	5.08%	1,672
2007	10,180,000	39,525,000	2,375,000	-	-	-	52,080,000	(12,240,785)	(22,375,000)	-	17,464,215	1.44%	4.66%	1,560
2006	9,775,000	31,825,000	5,195,000	-	-	-	46,795,000	(10,395,507)	(15,195,000)	-	21,204,493	1.37%	4.29%	1,418

(1) Estimated Actual Property values are found in Table 6

(2) Population and personal income can be found in Table 14

Notes: Debt Service Fund balances represent amounts received that are restricted to future payments of outstanding debt.

Amounts due from tax incremental financing districts represent future receipt of non repealable property tax levys restricted to the payment of debt service.

Amounts due from future development represent future impact fees collected under a 2002 ordinance from residents and restricted for the purpose of retiring debt on a portion of the police station, fire station, library and a eligible road project.

In 2014 the Water Utility issued \$1,290,000 of 20 Year bonds. Proceeds were used to finance the Water Building.

In 2014 the City issued \$5,320,000. Proceed were used to provide funding for TID projects and Capital Improvement projects

In 2012 the City issued \$27,562,754. Proceeds were used to provide funding for Ryan Creek Sewer extension with repayment scheduled to be completed in 2031.

In 2008 the City issued \$10,000,000. Proceeds were used to provide funding for TIF Districts with repayment scheduled to be completed in 2014.

In 2007 the City issued \$9,925,000. Proceeds were used to refinance existing general obligation bonds issued in 2001.

In 2007 the City issued \$10,000,000. Proceeds were used for TIF Districts needs with repayment scheduled to be completed in 2014.

In 2006 the City issued \$10,000,000. Proceeds were used to refinance existing lease revenue bonds with repayment completed in 2011,

CITY OF FRANKLIN, WISCONSIN
 Schedule of Direct and Overlapping Debt - Governmental Activities
 December 31, 2015

Jurisdiction	Net general obligation bonded debt outstanding	Percentage applicable to City	Amount applicable to City
Milwaukee County ¹	\$ 662,419,246	6.2825%	\$ 41,616,636
Whitnall School District	225,000	13.9244%	31,330
Oak Creek - Franklin School District	99,520,000	17.2147%	17,132,063
Franklin School District ²	31,360,000	100.0000%	31,360,000
Milwaukee Area Technical College	152,570,000	5.0381%	7,686,624
Milwaukee Metropolitan Sewerage District	960,000,333	6.4025%	61,464,077
Total Overlapping Debt	1,906,094,579		159,290,730
City of Franklin	<u>12,523,902</u>	100.0000%	<u>12,523,902</u>
Total	\$ 1,918,618,481		\$ 171,814,632

History	Milwaukee County	School Districts			MATC	MMSD	Overlapping Debt Total	City of Franklin	Total
	Franklin	Whitnall	Oak Creek/Franklin						
2015	\$ 41,616,636	\$ 31,360,000	\$ 31,330	\$ 17,132,063	\$ 7,686,624	\$ 61,464,077	\$ 159,290,730	\$ 12,523,902	\$ 171,814,632
2014	42,750,442	33,940,000	39,011	7,614,274	5,531,580	58,752,848	148,628,155	13,187,273	161,815,428
2013	43,757,820	36,275,000	46,013	7,680,950	5,659,039	59,969,813	153,388,635	17,901,387	171,290,022
2012	46,023,745	5,105,000	56,142	8,444,593	5,929,102	63,513,083	129,071,665	21,670,000	150,741,665
2011	49,686,048	6,885,000	1,175,097	8,483,031	5,266,621	58,187,207	129,683,004	32,495,000	162,178,004
2010	49,485,672	8,590,000	366,516	8,804,319	4,624,047	53,906,419	125,776,973	39,890,000	165,666,973
2009	48,685,158	9,860,000	398,980	9,860,000	2,930,822	49,520,701	121,255,661	45,165,000	166,420,661
2008	24,814,695	13,335,000	498,112	8,825,309	2,930,822	50,315,201	100,719,139	56,080,000	156,799,139
2007	24,417,746	16,615,000	584,345	9,317,100	2,693,188	40,872,492	94,499,871	49,705,000	144,204,871
2006	25,056,911	19,545,000	997,479	5,652,024	2,894,865	39,475,550	93,621,829	41,600,000	135,221,829

Source: Debt information supplied by each taxing jurisdiction and applicable percentages from the State Department of Revenue.

Note: Debt outstanding provided by each governmental unit and percentage determined by the Department of Revenue. Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the resident and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping district.

1 In 2009 Milwaukee County issued \$400,000,000 in pension obligation debt.

2 In 2013 Franklin Public Schools issued \$33,000,000 of Debt to renovate the high school.

CITY OF FRANKLIN, WISCONSIN
 Computation of Legal Debt Margin
 Last Ten Years

Fiscal Year	(1) Equalized Valuation	5% of Equalized Value	Total Debt Applicable to Limit	Legal Debt Margin	Percent Used	City Policy**		
						2% of Equalized Value	Debt Margin	Percent Used
2015	\$ 3,649,185,900	\$ 182,459,295	\$ 35,912,276	\$ 146,547,019	19.68%	\$72,983,718	\$37,071,442	49.21%
2014	3,589,694,100	179,484,705	37,711,522	141,773,183	21.01%	71,793,882	34,082,360	52.53%
2013	3,414,276,600	170,713,830	42,445,423	128,268,407	24.86%	68,285,532	25,840,109	62.16%
2012	3,524,105,900	176,205,295	43,734,833	132,470,462	24.82%	70,482,118	26,747,285	62.05%
2011	3,676,379,700	183,818,985	32,495,000	151,323,985	17.68%	73,527,594	41,032,594	44.19%
2010	3,670,508,700	183,525,435	39,890,000	143,635,435	21.74%	73,410,174	33,520,174	54.34%
2009	3,912,642,600	195,632,130	45,165,000	150,467,130	23.09%	78,252,852	33,087,852	57.72%
2008	3,898,387,300	194,919,365	56,080,000	138,839,365	28.77%	77,967,746	21,887,746	71.93%
2007	3,689,054,400	184,452,720	49,705,000	134,747,720	26.95%	**		
2006	3,481,759,700	174,087,985	41,600,000	132,487,985	23.90%	**		

(1) From Table 5

Note: Under state statutes the City's outstanding general obligation debt may not exceed five percent of total equalized property value.

** The City Debt Policy limits debt to 40% of Legal Limit - adopted by Resolution 2008-6481

CITY OF FRANKLIN, WISCONSIN
Demographic and Economic Statistics
Last Ten Years

Fiscal Year	(1) Population	(2) Personal Income	(2) Per capita adjusted gross income			(3) Unemployment rates		
			City of Franklin	Milwaukee County	State of Wisconsin	City of Franklin	Milwaukee County	State of Wisconsin
2015	35,655	N/A				4.0%	5.2%	4.3%
2014	35,702	\$1,252,194,890	35,074	22,507	27,671	4.2%	6.0%	5.2%
2013	35,810	1,199,623,750	33,500	22,411	26,963	4.8%	7.2%	6.3%
2012	35,520	1,218,584,060	34,307	21,433	26,271	5.6%	8.0%	6.9%
2011	35,504	1,098,257,160	30,933	20,681	24,942	5.4%	8.0%	7.0%
2010	35,451	1,085,585,506	30,622	20,486	24,218	6.2%	8.1%	7.8%
2009	33,700	1,039,533,497	30,847	20,195	23,211	7.2%	9.7%	9.1%
2008	33,550	1,103,807,365	32,900	21,233	24,329	4.5%	6.5%	6.5%
2007	33,380	1,117,587,480	33,481	21,603	24,374	3.5%	5.0%	4.5%
2006	33,000	1,091,761,153	33,084	20,782	23,845	3.0%	5.0%	4.8%

(1) Bureau of Census, State of Wisconsin

(2) Wisconsin Department of Revenue, Division of Research and Analysis

(3) US Bureau of Labor Statistics

N/A Not Available

Table 15

CITY OF FRANKLIN, WISCONSIN
Principal Employers
Current Year and Nine Years Ago

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2015</u>			<u>2006</u>		
		<u>Employees</u>	<u>Rank</u>	<u>Percent of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percent of Total City Employment</u>
Northwestern Mutual	Insurance/Investment Services	3,279	1	18.52%	1,100	1	5.93%
Wheaton Franciscan Healthcare	Medical & surgical hospital	869	2	4.91%	-		-
Franklin Public Schools	K-12 Education	554	3	3.13%	541	2	2.92%
Krones, Incorporated	High speed labeling/filler machines	537	4	3.03%	400	T-4	2.16%
Milwaukee County							
County Corrections South	Government	535	5	3.02%	450	3	2.43%
Baptista's Bakery	Commercial Bakery	418	6	2.36%			
Vesta Inc	Medical Device Contract Manufacturer	351	7	1.98%			
Wal-Mart	Retailer	302	8	1.71%	280	7	1.51%
Carlisle Interconnect Technologies	Wire harnesses	269	9	1.52%			
Conway Trucking	Trucking	257	10	1.45%	250	9	
Senior Flexonics - GA Precision	Off-road engine components mfg.	255	11	1.44%	400	T-4	2.16%
Harley Davidson	Distribution Center	-		-	250	10	1.35%
City of Franklin	Government	-		-	256	8	1.38%
Waste Management	Landfill and refuse collection	-		-	340	6	1.83%
Central Aquatics	Aquariums and fluorescent lights	-		-	-		0.00%
General Thermodynamics	Heat Exchangers	-		-	-		0.00%
		<u>7,626</u>		<u>43.07%</u>	<u>4,267</u>		<u>23.02%</u>

Source: Past Debt offering Official Statements and employer surveys

Table 16

CITY OF FRANKLIN, WISCONSIN
Full-time Equivalent City Government Employees by Function
Last Ten Years

<u>Department</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
General government										
Common council		-	-	-	-	-	-	0.48	0.48	0.48
Municipal Court	2.50	2.50	2.50	2.50	2.00	2.00	2.00	2.00	2.00	2.00
Clerk	4.12	4.14	4.14	4.14	4.00	4.00	4.00	3.53	3.53	3.50
Information services	-	-	-	-	-	-	-	-	-	-
Administration	3.00	4.00	3.00	3.00	3.60	3.60	3.60	3.80	3.80	3.80
Finance	6.60	6.60	7.10	7.10	7.03	7.10	7.10	7.10	7.30	7.30
Assessor	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Municipal buildings	4.03	2.78	3.74	3.74	3.92	4.74	4.74	4.83	4.83	4.90
Total general government	21.25	21.02	21.48	21.48	21.55	22.44	22.44	22.74	22.94	22.98
Public safety										
Police	76.75	75.75	75.75	76.75	77.25	77.25	77.25	77.25	77.25	77.25
Fire	46.50	46.50	46.50	46.45	46.48	46.45	46.45	46.45	45.45	44.00
Building inspection	8.00	7.00	7.00	7.00	8.00	8.00	8.00	10.00	10.00	10.00
Total public safety	131.25	129.25	129.25	130.20	131.73	131.70	131.70	133.70	132.70	131.25
Public works										
Engineering	8.25	8.25	8.25	8.25	8.25	8.80	8.80	9.80	9.80	9.80
Highway	22.00	22.48	22.00	22.00	22.00	22.00	22.00	22.00	22.00	22.00
Parks	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.27	1.79	1.25
Total public works	32.25	32.73	32.25	32.25	32.25	32.80	32.80	34.07	33.59	33.05
Public health	6.75	6.75	6.15	6.25	6.25	6.15	6.15	6.50	6.63	6.50
Planning	4.00	4.00	4.00	4.60	5.60	5.60	5.60	7.60	7.60	6.60
Economic Development	1.00	0.58	-	-	-	-	-	-	-	-
Total general fund	196.50	194.33	193.13	194.78	197.38	198.69	198.69	204.61	203.46	200.38
Public health - grant	-	-	-	-	-	-	-	-	-	-
Library	16.94	17.19	17.70	16.82	17.12	17.11	17.11	17.20	17.22	16.92
Sewer & water	11.50	10.80	11.55	11.53	11.53	12.55	12.55	12.85	12.85	12.85
Total	224.94	222.32	222.38	223.13	226.03	228.35	228.35	234.66	233.53	230.15

Source: City of Franklin Budget Document

CITY OF FRANKLIN, WISCONSIN
 Operating Indicators by Function/Program
 Last Ten Years

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Police										
Part 1 Major crimes	888	859	873	852	689	629	804	994	1,066	764
Arrests	1,124	1,160	1,012	1,799	1,554	1,606	1,235	1,467	1,492	2,021
Traffic & parking citations	9,034	8,163	7,431	9,449	11,093	9,125	7,793	6,880	8,449	6,730
Calls for service	30,662	30,040	28,093	29,542	28,847	37,273	28,267	27,107	28,169	-
Number of sworn officers	60	59	58	58	58	58	58	59	59	59
Fire										
Fire responses	666	621	679	594	540	574	496	704	573	588
EMS responses	2944	2,863	2754	2,688	2,605	2,546	2,515	2,790	2,767	2,526
Fire inspections	2890	2,480	2436	2,485	2,765	2,463	2,611	2,578	2,364	2,267
Number of full-time firefighters	45	45	45	45	45	45	46	46	46	45
Basic Life Support Transports	1092	1,055	1162	1,137	1,099	1,141				
Paramedic Transports	1186	1,091	977	910	863	823				
Highway										
Miles of crack sealing	26	38	28	32	30	28	31	34	31	21
Trees pruned	1000	679	704	1,053	1,427	2,176	927	378	558	1,640
Vehicles maintained	168	167	167	167	165	165	165	165	159	150
Solid waste										
Non-recyclable refuse collected (tons)	8100	7,923	7972	8,205	8,353	8,320	7,762	8,519	8,381	8,368
Recyclables collected (tons)	3100	3,479	3114	2,737	2,813	2,693	2,676	2,825	3,008	3,108
Yard waste (tons)	300	221	322	335	274	295	375	214	205	208
Health										
Home visits	1200	1,180	1,276	1,435	1,213	1,383	1,616	1,280	1,401	1,602
Immunization clinic visits	2200	2,130	1,825	2,488	2,653	3,660	8,658	3,407	3,015	3,004
Sanitarian inspections	425	429	383	438	298	366	380	274	196	393
Animal control										
Animal control pickups	115	122	104	92	120	167	126	165	223	194
Library										
Circulation	488,200	465,656	477,991	502,989	514,163	519,580	519,054	490,843	471,442	465,468
Collection size	150,000	139,772	140,000	144,000	142,000	140,000	135,688	130,000	127,000	120,724
Internet use	31,600	30,970	33,507	39,976	49,638	50,369	50,222	55,000	54,000	51,187
Sanitary sewer										
Number of customers	10,150	10,090	10,060	10,010	9,970	9,775	9,883	9,853	9,779	9,567
Feet of sewer cleaned	260,000	255,000	250,000	250,000	217,000	218,000	250,000	264,000	92,010	119,200
Water										
Number of customers -average	8,150	7,978	7,930	7,931	7,850	7,807	7,756	7,683	7,561	7,288
Average daily consumption	2,800,000	2,800,000	2,400,000	2,615,000	2,370,000	2,298,000	2,461,276	2,474,000	2,521,000	2,269,000
Peak daily consumption	4,888,200	4,969,000	6,770,000	6,770,000	5,604,000	4,212,000	4,803,000	5,681,000	6,097,420	5,023,029

CITY OF FRANKLIN, WISCONSIN
 Capital Asset Statistics by Function/Program
 Last Ten Years

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Area in square miles	34.5	34.5	34.5	34.5	34.5	34.5	34.5	34.5	34.5	34.5
Area in acres:										
Taxable acres (approximate)		15,038	14,889	14,804	15,474	15,550	15,549	15,550	15,634	15,642
Acres developed (approximate)		9,694	9,540	9,410	11,336	11,329	11,287	11,233	10,878	10,210
Acres in park and open space		5,167	4,928	4,854	3,873	3,873	3,873	3,873	3,851	3,684
Miles of road:										
State	16.85	16.85	16.85	16.85	16.85	16.85	16.85	16.85	16.85	16.85
County	23.24	23.74	23.74	23.74	23.74	23.74	23.74	23.74	23.74	23.74
Local	167.05	166.32	166.07	166.51	165.97	165.97	165.97	166.51	165.31	164.74
Fire protection and ambulance service:										
Number of manned fire stations	3	3	3	3	3	3	3	3	3	3
Police protection:										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of sub stations	1	1	1	1	1	1	1	1	1	1
Sewer and water service:										
Miles of sanitary sewer	193	191	185	185	185	185	185	182	181	180
Miles of watermain	169	168	167	167	167	166	166	164	163	157
Number of fire hydrants	2155	2,145	2,130	2,120	2,115	2,111	2,106	2,081	2,058	1,956
Recreation and culture:										
Number of trails	11	11	10	10	7	7	4	4	4	3
Number of city parks	12	12	12	12	12	12	12	12	12	11
Number of county parks	8	8	8	8	8	8	8	8	8	8
Number of libraries	1	1	1	1	1	1	1	1	1	1
Municipal buildings (square footage):										
City hall	47,206	47,206	47,206	47,206	47,206	47,206	47,206	47,206	47,206	47,206
Law enforcement building	68,300	68,300	68,300	68,300	68,300	68,300	68,300	68,300	68,300	68,300
Fire stations	37,750	37,750	37,750	37,750	37,750	37,750	32,392	26,480	26,480	26,480
Library	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Public works building	45,450	45,450	45,450	45,450	45,450	45,450	45,450	45,450	45,450	45,450
Sewer & water building	23,215	6,620	6,620	6,620	6,620	6,620	6,620	6,620	6,620	6,620

Source: City of Franklin records